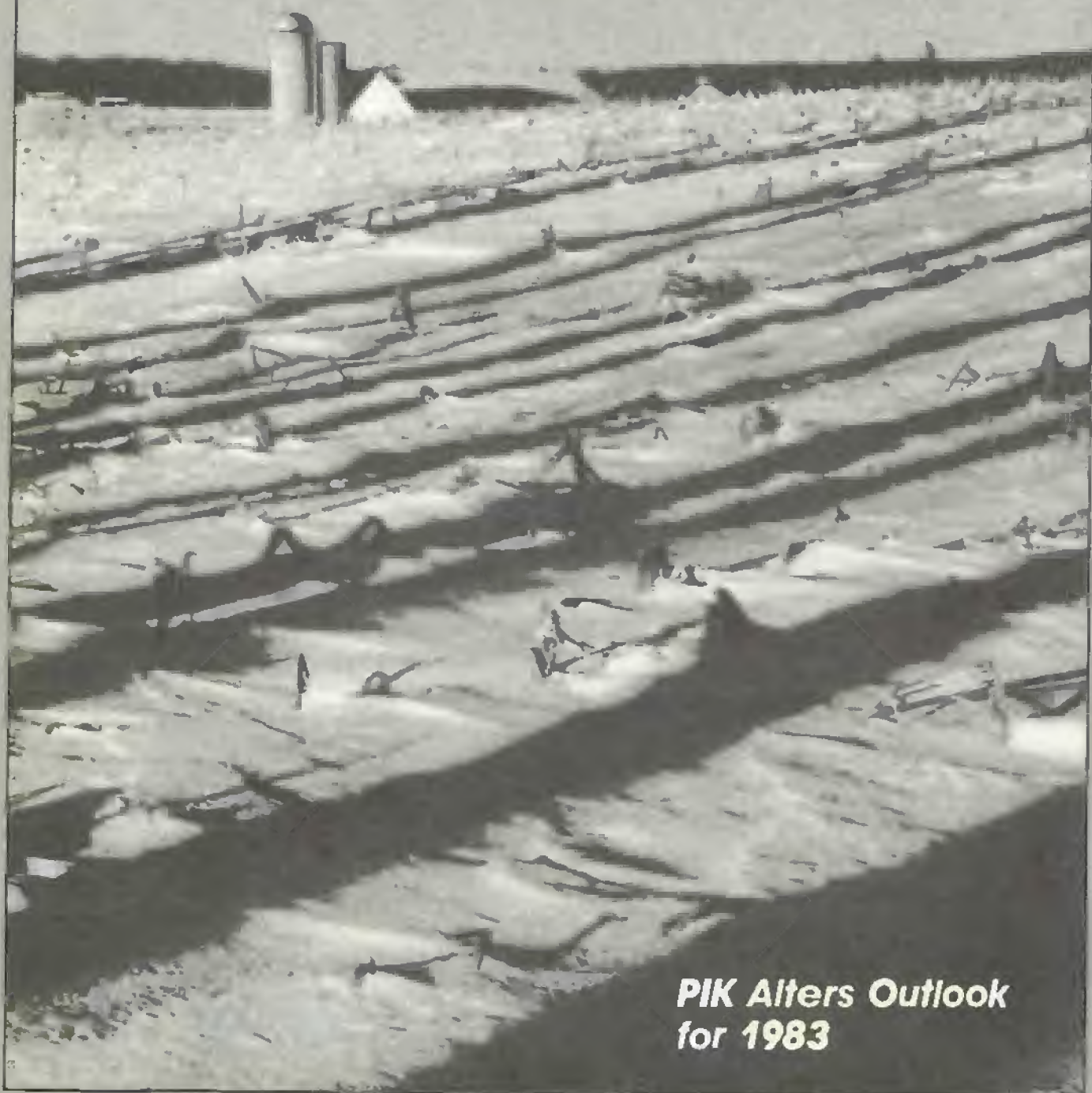


# AGRICULTURAL OUTLOOK

January/February 1983

Economic Research Service  
United States Department of Agriculture



**PIK Alters Outlook  
for 1983**

# AGRICULTURAL OUTLOOK

January/February 1983/AO-84



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# In Brief. . . News of PIK, the World Economy and the Fertilizer Outlook

## Agricultural Economy

Faced with continued burdensome stocks and weak domestic and foreign demand, the Administration announced on January 11 a payment-in-kind (PIK) program for 1983 wheat, corn, grain sorghum, upland cotton, and rice. The PIK is an acreage-reduction program under which farmers will receive the commodity normally grown on acreage they withdraw from production. The program, which will supplement the previously announced acreage-reduction programs, is expected to reduce harvested acreage of the five affected crops by 23 million acres, about 15 percent below that anticipated without PIK. Because growers will receive crops at their usual harvest date, the program will simulate a normal harvest—but some of that "harvest" will come out of storage rather than off the land.

## Farm Income Update

The outlook for 1983 farm income, although highly uncertain, appears stronger than a few months ago—especially as a result of the PIK program's anticipated impact on production expenses. Gross farm income will likely decline slightly, while farm production expenses could be flat; thus, net farm income for 1983 will likely decline from the \$20.4 billion estimated for 1982. Before inventory adjustment, net farm income is forecast at \$17 to \$21 billion; \$16 to \$20 billion after adjusting for a projected negative inventory change.

## World Agriculture and Trade

Recovery in the world economy will likely build throughout 1983, led by growth in the industrialized nations. However, U.S. agricultural exports will probably not benefit much from the expected recovery, for three reasons. First, projected rates of growth in personal consumption are quite low. Second, throughout 1983 unemployment overseas is likely to remain at or



near the levels prevailing at the end of 1982. Third, the foreign-exchange constraints in many developing countries will, in some cases, force governments to cut back on their food imports.

## Indexes for Agricultural Outlook Published

Subject and article indexes for *Agricultural Outlook* (1980-82) appear in this month's issue, following the Statistical Indicators section. Indexes will be prepared for 1983 and subsequent years, to be published in each January-February issue. Reader comments and suggestions will be appreciated.

## General Economy

The recovery that failed to appear during the second half of 1982 is now anticipated to be underway by the second quarter of 1983. Following an expected weak first quarter, consumer demand for agricultural products should begin to expand slowly, with modest growth forecast for the second half of the year. For all of 1983, real (inflation-adjusted) GNP, consumption, and disposable personal income are projected to average about 2 percent above their 1982 levels.

## Inputs

Because of this year's acreage-reduction programs and continued low farm prices, fertilizer consumption will fall again in 1982/83. After slipping 9 percent in 1981/82 to a depressed 21.5 million short tons, plant nutrient consumption could decline another 7 to 12 percent this year. Consumption will vary by region according to participation in the 1983 commodity programs. Programs announced in late 1982 were expected to reduce overall fertilizer consumption 3 to 5 percent, while the PIK program could lower use by another 4 to 7 percent.

## Tapping the Growing OPEC Food Market

As the world's major suppliers of petroleum, the Organization of Petroleum Exporting Countries (OPEC) of North Africa and the Middle East represent a sizable and profitable market for U.S. agricultural products, but one that has not yet been fully exploited by U.S. exporters. Although higher oil revenues since 1973 have fostered a tenfold increase in OPEC's agricultural imports, the U.S. share of these purchases has declined sharply since then. In 1981, these eight OPEC countries' aggregate imports were valued at about \$106 billion, compared with \$6 billion 10 years earlier. Such growth plainly shows that the region has become fully integrated into the world financial system, advancing from the periphery of world commerce to a vital trading center.



## Agricultural Economy

Faced with continued burdensome stocks and weak domestic and foreign demand, the Administration announced on January 11 a payment-in-kind (PIK) program for 1983 wheat, corn, grain sorghum, upland cotton, and rice. The PIK is an acreage-reduction program under which farmers will receive the commodity normally grown on acreage they withdraw from production. The program, which will supplement the previously announced acreage-reduction programs, is expected to reduce harvested acreage of the five affected crops by 23 million acres, about 15 percent below that anticipated without PIK. Because growers will receive crops at their usual harvest date, the program will simulate a normal harvest—but some of that "harvest" will come out of storage rather than off the land.

Initial USDA estimates indicate that under PIK production and stocks in 1983/84 will decline significantly from levels expected under previously announced programs. Nevertheless, supplies are expected to remain large and prices relatively low in 1983. The program's goal is to bring supply and demand of the five crops into balance at higher prices and improve conditions in the farm economy during 1984 and later years.

Prompting the program were continued forecasts of weak domestic and foreign demand in the face of record large stocks. This year's expected recovery in the U.S. and world

economies will be very moderate, with U.S. growth forecast at 2 percent in 1983 and growth in other industrialized countries at 1.5—low rates for a recovery period. Unemployment in the industrialized countries, except in Japan, will likely stay high, keeping wage gains and consumption of food products low.

These forecasts of weak demand in 1983 pose special problems for farmers, already burdened with the effects of weak demand and low prices during the last 3 years. Reflecting this, nominal farm equity declined about 4 percent in 1982 because of falling land values. (It remains, however, about 40 percent above 1978.) The number of bankruptcies, while still low, has risen. More seriously, a substantial number of producers have reached their practical debt limits. Rising total debt and high interest rates in recent years have boosted interest outlays from 8 percent of total production expenses in 1975 to 16 percent in 1982. These financial pressures also have limited livestock herd and flock expansion, while depressing machinery and other purchases by farmers.

In general, the PIK program is expected to further reduce input use, lower Commodity Credit Corporation (CCC) outlays, and improve farm income prospects. Numerical estimates of these effects remain tentative. Expenditures for inputs will likely decline 3 to 4 percent from those anticipated under previously announced programs, but the impact will vary by regions. Use is forecast to decline the most for pesticides and seed, which are most closely tied to planted acreage. Total use of both is expected to fall 5 to 7 percent because of PIK. Fertilizer use is forecast to decline by 4 to 7 percent, with use on corn and cotton dropping 7 and 15 percent, respectively. While machinery purchases are expected to decline less than 1 percent with PIK, fuel use may drop 2 to 3 percent.

PIK will probably reduce net CCC outlays about \$3 billion in fiscal 1983 and 1984 from pre-program expectations because of smaller 1983 production. The program, while lowering cash receipts, will nevertheless improve farm income from levels expected before PIK because it will curb production expenses. [Lorna Aldrich (202) 447-2317]

## LIVESTOCK HIGHLIGHTS

### Cattle

The number of cattle and calves in the United States on January 1, 1983, totaled 115.2 million head, down from 115.6 million a year earlier. Beef cow numbers declined 3 percent from last year. The calf crop declined 1 percent, the third consecutive year of decline. Cattle slaughter rose 3 percent, with cow, bull and stag, and heifer slaughter rising 12, 6, and 4 percent, respectively. Steer slaughter declined slightly. Cow slaughter was sharply above a year earlier in those areas where the cattle enterprise tends to be supplementary to cropping enterprises, primarily in the North Central States.

Beef cow numbers declined 10 percent in the Lake States-Corn Belt region and 7 percent in the Central Great Plains. However, beef cow numbers also declined 8 percent in the Pacific Southwest. The cow herd has been closely culled or liquidated on many of these farms to improve cash flow and/or pay down loans. Beef cow numbers in the Southern and Northern Great Plains, where cattle are often the primary source of income, were about unchanged from 1981. This break in the new cattle cycle, after only 3 expansion years, is the first major disruption in the normally 10 to 12 year cycle during this century.

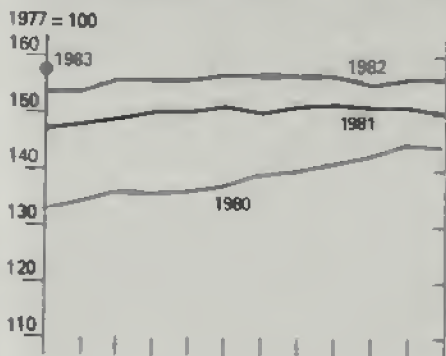
During the fourth quarter of 1982, the number of cattle placed on feed in the 13 major cattle feeding States was 16 percent larger than a year earlier and the most for the fourth quarter since 1979. Marketings during the quarter rose only 6 percent from a year earlier to 5.38 million head—the largest marketing figure for the quarter since 1978. On January 1, the number of cattle on feed numbered 10.27 million head—14 percent above a year ago and the most since January 1, 1980. With the larger supply, cattle feeders indicated they would market 6.1 million head this quarter—the most since the winter of 1979. Although feeders are relatively current on their marketings, they will have to maintain this faster marketing pace to avoid excessive slaughter weights late this winter and in the second quarter, when the weather improves and more cattle reach market weights.

Smaller calf crops since 1979 and increased placements of cattle on feed have resulted in a 1-percent decline in the supply of feeder cattle outside

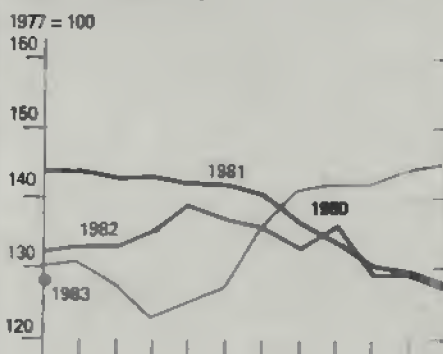


# Prime Indicators of the Agricultural Economy

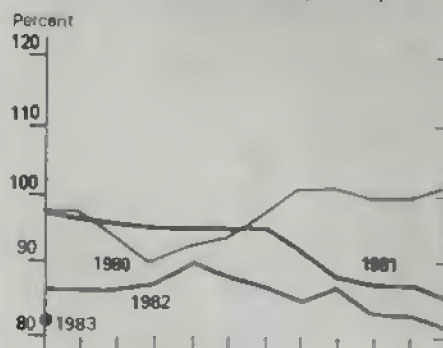
Prices paid by farmers<sup>1</sup>



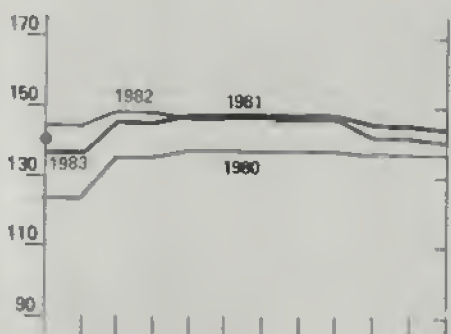
Prices received by farmers<sup>2</sup>



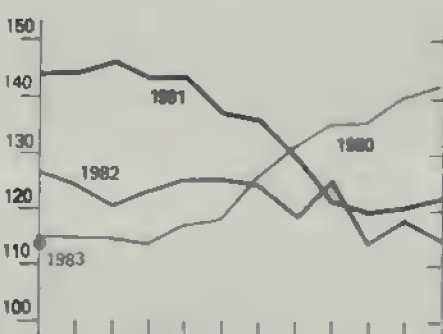
Ratio of prices received to prices paid



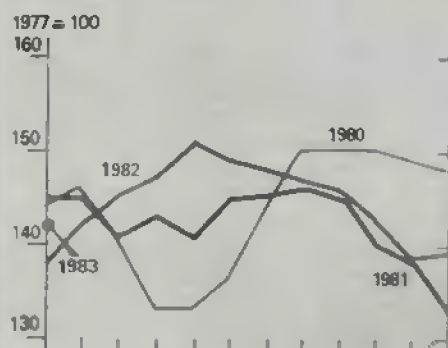
Fertilizer prices



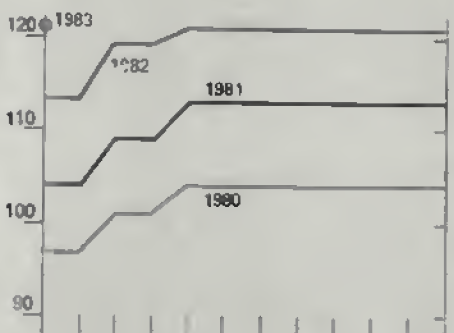
All crops



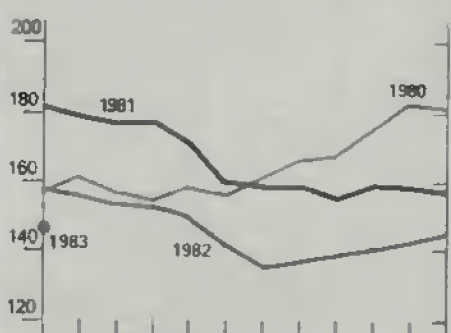
Livestock and products



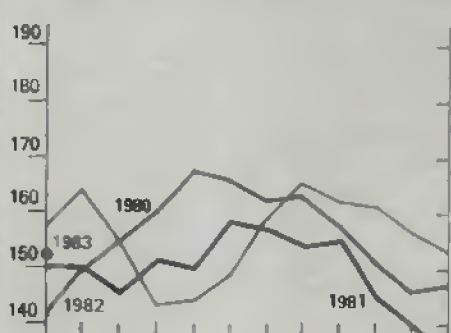
Agricultural chemicals



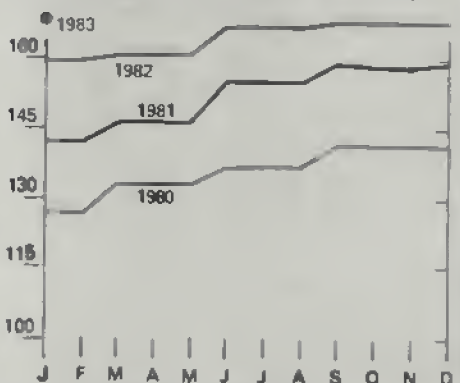
Food grains



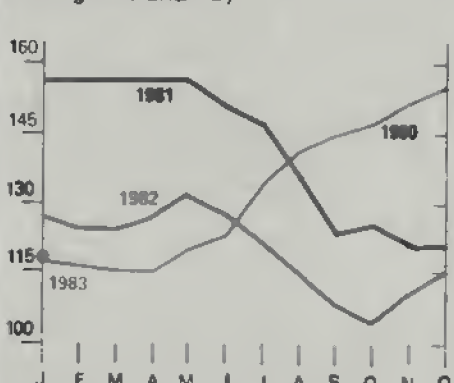
Meat animals



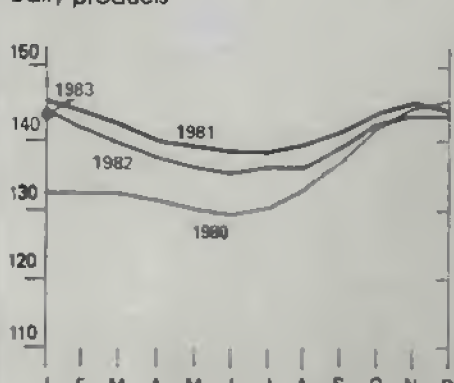
Tractors and self-propelled machinery



Feed grains and hay



Dairy products



<sup>1</sup>For commodities and services, interest, taxes, and wages

All series except "Ratio of Prices Received to Prices Paid" are indexes based on 1977 = 100.

<sup>2</sup>For all farm products

feedlots on January 1. The supply of calves outside feedlots declined 2 percent (595,000 head), while the supply of yearlings increased 245,000 head. The number of cattle placed on feed is expected to remain above a year ago this winter, but then decline from year-earlier levels during the last quarter of the year. Consequently, fed cattle slaughter will remain above a year earlier in 1983. However, nonfed slaughter is expected to decline. Favorable moisture conditions should provide excellent grazing this spring, which, along with the smaller cattle inventory, should keep a larger proportion of the cattle on grass.

Prices for Choice fed steers at Omaha averaged \$58.92 per cwt last fall and are expected to average only slightly higher this winter—about \$60 to \$62 per cwt. Continued weakness in consumer demand will hold down price gains, at least until the projected economic recovery begins this spring. With economic improvement and reduced total meat supplies, prices this spring may average \$64 to \$68. Farm-to-retail price spreads remained wide through December, but they are expected to narrow through spring as fed cattle prices rise. Therefore, only modest retail price increases are anticipated. High unemployment, even as a mild recovery begins, will continue to restrain consumer demand for meat.

Yearling feeder steer prices at Kansas City averaged \$63.23 per cwt last fall. With lower grain prices and a smaller feeder cattle supply, prices are forecast in the mid-\$60's this winter. They may average in the upper \$60's this spring, boosted by the reduced feeder cattle supply and higher fed cattle prices. Wheat grazeout options under the payment-in-kind program (see "Agricultural Policy" for details) could also boost feeder cattle prices, as they would increase competition for the reduced supply of lightweight cattle once the grazing season begins. [Ron Gustafson (202) 447-8636]

### Hogs

Although hog producers' returns improved substantially in 1982, the number of hogs and pigs on U.S. farms on December 1 declined 9 percent from a year earlier to 53.2 million head, the lowest since 1975. The breeding herd declined 7 percent from last year, totaling 7.3 million head. Market hogs numbered 45.9 million head, down 10 percent. These declines indicate that pork production will continue to fall throughout 1983.

The continuing drop in inventory reflects the relatively poor financial conditions and tighter lending practices following poor returns during mid-1979 through 1981. As producers' finances improve, those who have facilities and are currently producing hogs may expand output somewhat this year. However, given current Government programs for corn, many corn farmers who have gone in and out of hog production will likely continue to stay out.

Commercial pork production in the fourth quarter of 1982 totaled 3.64 billion pounds, down 12 percent from a year earlier. Dressed weights averaged about two pounds heavier, reflecting the lower feed costs. Barrow and gilt prices at the 7 markets surveyed averaged \$55 per cwt—down from about \$62 in the third quarter but still much above the \$43 year-earlier average. Commercial production for all of 1982 totaled 14.1 billion pounds, down 10 percent from a year ago. Hog prices averaged about \$55.44, \$11 higher than in 1981.

Commercial pork output in first-quarter 1983 is expected to be 3.35 billion pounds, down 9 percent from last year. Hogs to be slaughtered this quarter are drawn largely from the supply weighing 60 to 179 pounds on December 1, which was down 11 percent. Dressed weights are expected to average about 4 pounds heavier than last year, as feed costs are lower this year than last. Prices are expected to improve in the first quarter—averaging \$56 to \$58 per cwt.

In the second quarter, pork production is expected to be 3.45 billion pounds, 3 percent below a year earlier. The market hog inventory weighing under 60 pounds on December 1, which is the main source of spring slaughter, was down 6 percent from last year. Last year's slaughter was depressed because of extreme temperatures in January and February, which reduced the rate of weight gain. Although competing meat supplies are expected to increase, prices may average \$55 to \$59 this spring as real disposable incomes improve with the modest economic recovery. [Leland Southard (202) 447-8636]

### Dairy

As allowed by the Omnibus Budget Reconciliation Act of 1982, the Secretary of Agriculture set the support price for the 1982/83 marketing year at \$13.10 per cwt for manufacturing grade milk with 3.67 percent fat (\$12.80 at 3.5 percent fat). In addition, as authorized by Congress in the Budget Act, USDA implemented a 50-cent-per-cwt deduction for all milk marketed after December 1. However, because of a suit filed December 17, the U.S. District Court for South Carolina has restrained USDA from collecting the assessments. To comply with the court order, the Federal Register published a notice of proposal determination on January 27, in which the Secretary of Agriculture requests comments from interested parties on implementation of the deduction program.

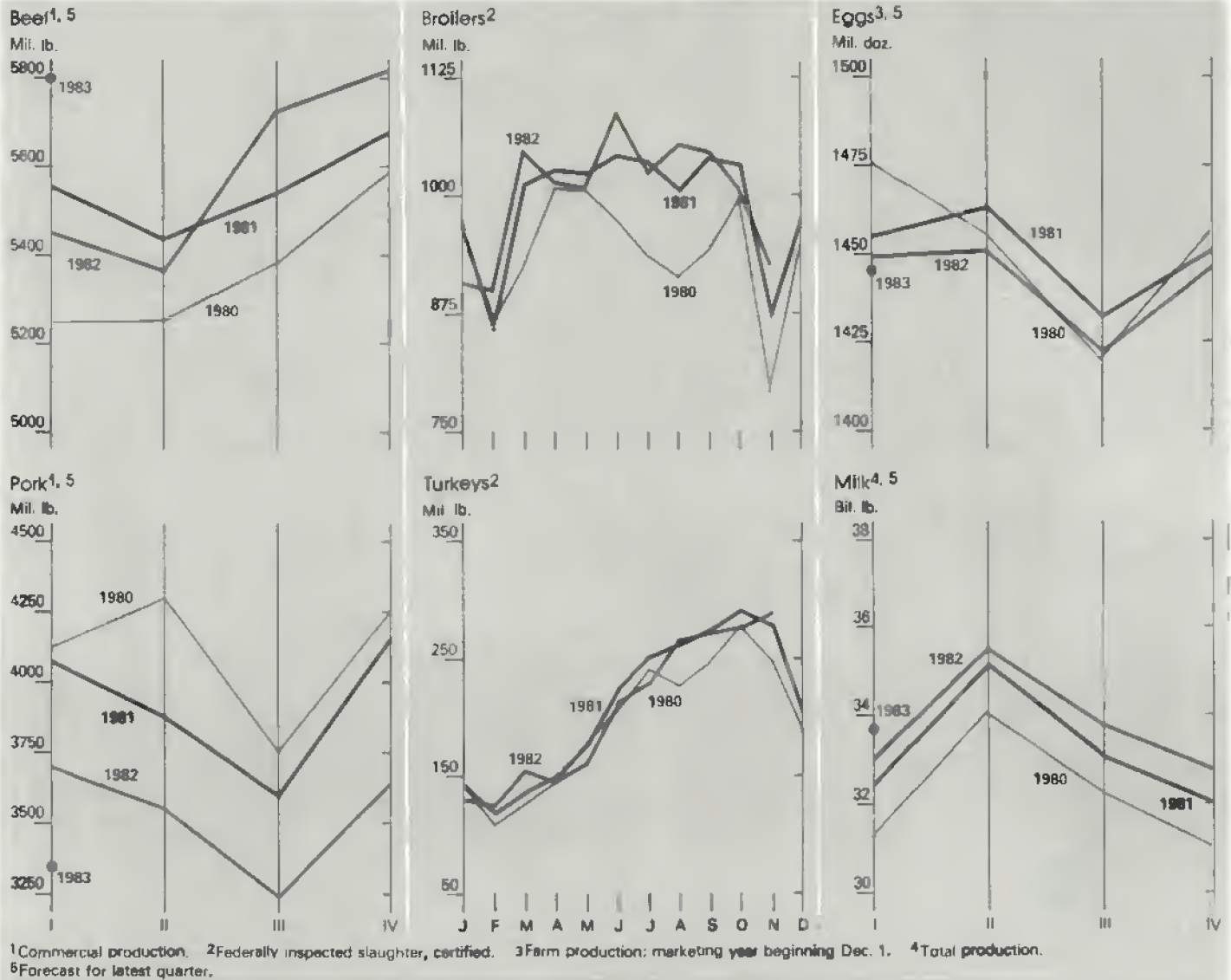
Dairy farmers' reactions to the proposed deductions will play a key role in determining the size of 1983 milk output. Although some of the deductions have already been offset by lower feed costs, the rest of the deductions will squeeze producers' returns and are expected to cause some decline in milk cow numbers during 1983. Nevertheless, the number of milk cows will likely average near 1982 (on a year-over-year basis). With the same number of cows and an expected 2-percent increase in output per cow, milk production is projected to be up 2 percent in 1983. Production for all of 1982 was 1.9 percent above 1981's record 132.6 billion pounds.

Commercial disappearance of milk and dairy products during January-September increased 1.7 percent from a year earlier, a gain of 1.5 billion pounds. Rebounding sharply from 1981, total 1982 disappearance likely reached 122.3 billion pounds, up 2.2 billion (1.8 percent). However, the gain was less than expected given the decline in last year's real prices of dairy products, a reflection of the weak economy and higher unemployment. For the same reasons, commercial disappearance in 1983 is expected to rise less than 2 percent.

USDA purchases during 1982 totaled 14.3 billion pounds, up 1.4 billion pounds on a milk-equivalent, fat-solids basis. This rise resulted partly because the gain in production more than offset the increase in use. USDA purchases will continue large in 1983,



## Supplies Update: Livestock and Products



because gains in milk production will likely counterbalance improved commercial disappearance. Because 1983 purchases are expected to exceed donations, Government stocks will continue to expand.

January prices for manufacturing grade milk averaged \$12.90 per cwt—up 60 cents from July, but 10 cents below a year earlier. Prices for all milk reached a seasonal low in June but have risen since—averaging \$13.90 per cwt during January. For 1982, the simple average all-milk price was \$13.55, 21 cents per cwt below last year. In 1983, the all-milk price is

forecast to be little changed from 1982. But, farmers' returns per cwt could average 5 percent or more below 1982, given the 50-cent deductions that may start April 1. (Clifford Carman (202) 447-8636)

### Eggs

Egg prices, which were weak during June-November, continued so into the new year, as domestic economic conditions remained unfavorable. Foreign demand has also been weak because of the strong U.S. dollar and other countries' efforts to conserve foreign exchange, so exports will likely continue slow at least through the first half of 1983. During September-November, prices for cartoned Grade A large eggs delivered to stores averaged about 69 cents a dozen, down from 77 cents last

year. With continued high unemployment and weak exports in 1983, prices may average only 63 to 68 cents for the marketing year that began in December 1982, down slightly from 71 cents last year.

The weak prices are causing egg producers to increase slaughter of old hens and to continue reducing orders for replacement pullets. The egg-type hatch for December was 16 percent below December 1981, so by spring 1983 the number of replacement pullets will trail 1982. During December, slaughter of light hens was up 21 percent from last year, as egg prices were declining.

Even with low feed costs, producers are expected to keep egg output low again this year. Weak egg demand is expected to maintain current management practices—thus holding production about 1 percent below 1982.

[Allen Baker, (202) 447-8636]

### Broilers

In the second half of 1982, broiler prices remained below year-earlier levels despite increased pork prices. These relative prices are partly due to increased broiler output and reduced pork output, but they also reflect weak consumer demand.

During October-December 1982, wholesale prices for broilers in the 9 cities surveyed averaged 42 cents a pound—the same as last year. Consumers' disposable income is likely to remain low early in 1983, so first-quarter prices for broilers may average 40 to 44 cents a pound, down from 45 cents in 1982. If the economy strengthens and pork supplies remain low in 1983, prices for broilers may average 41 to 47 cents a pound, near 1982's 44 cents.

Last year, broiler producers—anticipating a strengthening economy along with declining feed prices—increased output about 1 percent from 1981. The same expectations for 1983 are leading producers to expand the number of eggs set and chicks hatched for this year's production. Thus, in the first half of 1983, broiler meat output from federally inspected plants may be 3 percent greater than in 1982. [Allen Baker (202) 447-8636]

### Turkeys

In 1982, producers raised 165 million turkeys—down 3 percent from 1981. North Carolina producers raised the most at 27 million, followed by Minnesota with 26 million and California with 20 million. Since 1980, North Carolina has been the largest turkey-producing State, edging out Minnesota.

On December 1, turkey producers reported intentions to raise 3 percent more turkeys this year than last. However, after this survey was completed turkey prices weakened sharply, so producers will likely modify their plans. With favorable returns during June-November 1982, producers increased the number of poults hatched;

as a result, turkey meat output in the first half of 1983 is forecast to increase 5 to 7 percent from the 938 million pounds produced in 1982. Despite favorable feed prices, weak turkey prices will likely slow the number of poults hatched during the main hatching season. So output for all of 1983 is expected to increase only 2 percent.

With weak consumer demand, prices have been low since the holidays. Wholesale prices for 8- to 16-pound hen turkeys in New York averaged 64 cents a pound in the fourth quarter, up from 55 cents last year. Although prices usually strengthen seasonally in the fourth quarter, this year they began declining in November as retailers failed to bid up wholesale prices close to Thanksgiving. Since Thanksgiving, prices have slipped to the low 50-cent range, only slightly better than last year.

The drop in prices after Thanksgiving likely pulled stocks down. On January 1, 1983, cold storage stocks of frozen turkey were 206 million pounds, down 14 percent from last year.

Based on the current prices and the expected increase in output, prices for young hen turkeys in New York are forecast to average 52 to 56 cents during January-March 1983, near 1982's 55 cents. Prices will likely continue weak in the second quarter and average 53 to 57 cents, down from 59 cents last year. [Allen Baker (202) 447-8636]

## CROP HIGHLIGHTS

### Feed Grains

The forecast for 1982/83 disappearance increased for corn, but for sorghum tight free stocks pulled down the projections for feed and residual uses. Feed grain disappearance is now estimated to total 219 million metric tons for 1982/83—up 1.4 million from the December forecast.

In January, the estimate of 1982's corn crop was revised upward by 67 million bushels to 8,397 million. Estimates of the sorghum, barley, and oat harvests were also raised, bringing total feed grain production to 255 million metric tons—up from the December estimate of 252.5 million. However, the increase in expected disappearance more than offsets these production increases, reducing prospective carryover stocks.

Short-run prices for corn and sorghum have increased partly in response to the announcement of the payment-in-kind (PIK) program. During the week after the announcement, corn prices at Central Illinois points averaged about a nickel higher, and March and May futures prices were up about 10 cents.

A preliminary assessment of PIK places the 1983 corn crop about 1.5 billion bushels below the 1982 outturn, with a stock drawdown of about 600 million bushels. The season-average price for corn in 1983/84 is expected to be near the \$2.65-a-bushel loan rate and above the \$2.20 to \$2.40 average projected for the current year. The higher price of corn will likely enable prices of other feed grains to rise.

The estimate of 1982/83 world production of coarse grains has been raised to 788 million tons. Upward revisions in crop estimates for the Northern Hemisphere offset diminished prospects in South Africa and Argentina. Use is expected to rebound, but it will remain below production. Stocks will likely expand sharply. Carryover stocks may approach 20 percent of use—the highest since the early 1960's.

Following last year's slight decline, foreign coarse grain use is expected to return to the 1980/81 level. China's consumption is projected up 6 percent because of a larger crop and expanded imports. Because of better harvests, use may rise 3 to 4 percent in the USSR and 5 to 6 percent in Eastern Europe. Little increase is foreseen in the developing countries because of crop shortfalls in Mexico and India—two of the largest users—and generally slower growth in livestock industries.

World coarse grain trade (July-June) is now expected to decline 8 to 9 million tons from 1981/82's reduced movement. The forecast of USSR imports has been reduced further, to 16 million tons, which would be the smallest volume since 1978/79 and almost 10 million tons below last year's imports. Eastern Europe's imports may fall to about 4.4 million tons.

Imports by the developed countries may drop 4 percent. Harvests were better in most countries, and the economic recession and high-valued U.S. dollar will likely depress import



demand. Imports by the developing countries are forecast up sharply, led by Mexico. Increases are also anticipated for other developing countries, particularly in East Asia.

Exports by the major U.S. competitors are projected down in 1982/83 because of smaller crops. In addition, U.S. exports may drop 3.5 million tons, as July-December exports were 5 million tons below a year earlier. *[Larry Van Meir (202) 447-8776 and Sally Byrne (202) 447-8857]*

#### Wheat

A reduction of U.S. wheat output in 1983 rests on producers' response to this year's acreage-reduction programs, particularly the payment-in-kind (PIK) option. Under PIK, an estimated 10 million additional acres will not be harvested this summer. If this drop is combined with the declines from the 15-percent acreage reduction and 5-percent land diversion requirements, 1983 wheat production could fall to around 2.4 billion bushels, 400 million below last year's record. This reduction could keep yearend stocks from building further, but, more noteworthy, it could lower farmer-owned reserve stocks by 300 to 400 million bushels.

The overall picture shows world wheat production in 1982/83 still exceeding demand, with most of the stock build-up in the United States. Wheat harvests in the Southern Hemisphere are nearing completion. Because of record area and yields, the January estimate of Argentine output was raised 2 million metric tons—to the largest crop ever. Therefore, world production increased a like amount and is now placed almost 25 million tons above last year's record.

Despite a poor outturn in Australia, the total exports of U.S. competitors are expected to be 4 million tons above last year. The larger Argentine output will result in record exports for that country—about twice last year's shipments. Record exports are also anticipated for Canada and the European Community. Trade prospects for the United States continue dim, with exports forecast about 6 million tons below last year.

Because of recent purchases from all sources, the forecast of Soviet imports has been increased 2 million tons to near last year's record. The Soviets also bought 3 million tons of U.S. wheat recently, but little additional sales are expected. Because of the larger Soviet purchases and increases in Argentine and Canadian exports, world trade is expected to match last year's record.

The forecast of world wheat consumption increased slightly in January, mostly because of an expected rise in Soviet use. World stocks will increase 13 million tons, about 10 million of which will be in the United States. *[Allen Schienbein (202) 447-8444 and Bradley Karmen (202) 447-8879]*

#### Rice

Although 1981/82 remains a record year for U.S. rice production, the final estimates have been lowered from 185 to 183 million cwt (rough rice)—bringing the total supply to 199 million cwt, down from 202 million estimated earlier. The forecast for 1982/83 production has been raised from 153 to 154 million cwt—putting this year's U.S. rice supplies at a record 203 million.

Total disappearance of rice in 1982/83 is expected to be around 142 million cwt, up slightly from last month's forecast because of changes in domestic use and exports. Exports may move above 70 million cwt, as sales to the Middle East continue to improve. The increased exports will more than offset the slight downturn in seed use anticipated because of the payment-in-kind program. Larger supplies and only slightly higher disappearance mean that ending stocks could rise to 61.5 million cwt, up from 48.9 million last year.

Season-average prices are forecast between \$7.50 and \$8.25 per cwt. The average price was \$7.69 during August-December, well below the 1982 loan rate. Therefore, program participants are assured of the maximum deficiency payment of \$2.71 per cwt.

World rice production is now forecast at 272 million metric tons (milled rice)—up 1 percent from last month's forecast but down 2 percent from last season. Chinese output has once again

been revised upward, as excellent conditions allowed record production despite reduced area. China produces more than a third of the world's rice. Among exporters, production prospects this year have improved in Burma and Japan, but they have worsened in Thailand, Pakistan, and India. Between them, India and Thailand's prospective output has dropped 10 million tons because of bad weather. However, output will be high in Indonesia and South Korea, two major importers.

World consumption is expected to exceed production this season by 5 million tons, pushing ending stocks down to 17 million tons. This will result in the lowest stocks-to-use ratio in 8 years. Consumption in India is expected to fall in line with the drop in output, but rice use in the rest of the world will likely rise. Neither the increased use nor the decline in stocks will push prices up, as world trade continues depressed. World exports in calendar 1983 are forecast at a 3-year low of 11.6 million tons, with the U.S. share slipping because of aggressive Thai marketing and the strong dollar, which is keeping U.S. prices relatively high. Nevertheless, the official forecast for U.S. exports has been raised this month to 2.3 million tons because of recent sales to Iraq. However, exports last year were 2.7 million tons. *[Barbara A. Claffey (202) 447-8444 and Eileen Manfredi (202) 447-8912]*

#### Cotton

Recent changes in supply and demand point to continued weakness in the U.S. cotton market for 1982/83. Although the 1982 crop estimate was revised downward slightly in January, to 12 million bales, this season's forecast for total use dropped from 10.8 to 10.4 million bales—reflecting weaker export prospects. Consequently, stocks on August 1, 1983, are now expected to total 8.4 million bales—0.4 million above the previous estimate, 1.8 million above a year earlier, and the most since 1966.

Domestic mill use averaged 5.22 million bales (seasonally adjusted annual rate) during the first 5 months of this season. Mill activity is expected to increase during the second half as the economy strengthens and as textile production for the 1983 fall season picks up.

Export commitments—exports plus outstanding sales—in mid-January were about 2 million bales below a year earlier. For all of 1982/83, cotton exports are now forecast at 5 million bales, 1.6 million below last year.

The payment-in-kind program for 1983-crop cotton will likely cause a sharp reduction in plantings. This program, combined with the previously announced acreage-reduction and paid-diversion programs, offers producers strong participation incentives. The prospect of a program-induced reduction in 1983/84 carryover stocks pushed spot prices up slightly to 60.5 cents a pound in mid-January, compared with December's average of 59.6 cents. Whether high participation will be enough to lower stocks to desirable levels will likely depend on 1983 cotton yields. Unless yields are lower than normal, stocks will likely continue high in 1983/84.

World cotton production is now forecast at 67.7 million bales, down 5 percent from last season's record. Foreign production is expected to hit a record 55.6 million bales. Among major competitors, output is projected to drop again this season for the USSR, Egypt, and Mexico. Production by the major U.S. competitors will likely fall 1.4 million bales, but this will be more than offset by a 2-million-bale production increase in China, a major importer.

Total foreign consumption is expected to rise only 1 percent, with virtually all of the increase coming in China. Weak demand for textiles has depressed world trade, with world exports in 1982/83 forecast to fall 3 million bales to 17.4 million. The U.S. share of total exports will likely fall this year because of the dollar's continuing strength, which has made U.S. cotton more expensive in the world market. In addition to the virtual absence of Chinese imports due to their excellent crop, sales to other Asian and European markets are also down. [Keith Collins (202) 447-8776 and Eileen Manfredi (202) 447-8912]

#### Oilseeds

Reflecting strong demand for soybean meal, domestic processors are expected to crush 1.12 billion bushels of soybeans in 1982/83, 8 percent more than last season. With improved livestock-feeding margins, domestic meal use may reach 18.5 million short tons—4 percent above 1981/82. In the fourth

quarter of 1982, domestic use exceeded the year-earlier level by 5 percent.

The European Community (EC), with its variable levy on corn imports, continues to be a good market for U.S. soybean meal. Through January 20, the EC accounted for nearly two-thirds of the U.S. meal export commitment (exports plus outstanding sales), which totaled 16 percent above a year ago.

The improved demand from crushers and a slightly lower estimate of 1982 U.S. soybean output account for a 40-million-bushel drop in the projected 1982/83 carryover, now placed at 390 million bushels. However, this projected carryover would still be record high and is keeping prices low. The average farm price for 1982/83 is forecast at \$5.25 to \$5.75 a bushel, down from \$6.04 last season and \$7.57 in 1980/81. This season's lower soybean prices and the strong incentives for grain and upland cotton producers to participate in the acreage-reduction and payment-in-kind programs could lead to a decrease in soybean acreage this spring. Nevertheless, U.S. soybean supplies will likely be large again in 1983/84.

World oilseed production for 1982/83 is now forecast to rise 7 percent from last year, although the downward revision in U.S. supplies has also lowered the world total from December's forecast.

Soviet demand for meal will increase by nearly one-third this season, with supplies coming mainly from South America and the EC. World trade in soybean meal should increase this year, and U.S. meal exports will likely rise 16 percent to 7.3 million tons. However, U.S. exports of beans are projected to increase only 2 percent. U.S. shipments of soybean oil are expected to total 942,000 tons, about the same as last year. [Sam Evans (202) 447-8444 and Ed Allen (202) 382-9820]

#### Sugar

Continued prospects of another large sugar crop in 1982/83 and flagging demand are keeping the world price of raw sugar at decade-lows. Estimated world sugar output of 98 million tons and consumption of 92 million imply that stocks could rise to 45 percent of annual sugar use—far above the 25 percent generally regarded as optimal. The world price of raw sugar averaged 6.0 cents a pound in January, down from 6.3 cents in December and well below 1982's average of 8.4 cents. Prices will likely remain below 8 cents in 1983.

In mid-January, the price of raw sugar in the U.S. market (c.i.f. New York, duty/fee-paid, Contract No. 12) exceeded 21 cents a pound for the first time since the market stabilization price of 20.73 cents took effect October 1. Prices averaged 19.9 cents a pound in 1982, up from 19.7 cents the year before. Imports in fiscal 1983 are limited by a quota of 2.8 million tons, which is effectively bolstering the U.S. support price for sugar.

Wholesale prices for bulk refined sugar were about the same in December as in November—ranging from 28 to 31 cents a pound, depending on the market. Retail prices averaged 35.2 cents a pound in December, slightly below November's 35.5 cents.

Surplus production capacity for corn sweetener has led to sharp price discounts for high fructose corn sirup (HFCS). For 55-percent HFCS, prices in December were 30 to 35 percent below sugar prices in the Chicago-West market, versus discounts of 15 to 20 percent in calendar 1981.

U.S. sugar output in 1982/83 is now estimated at 5.6 million short tons, 9.8 percent below last season and down from last month's estimate of 5.7 million. Beet sugar output is now placed at 2.7 million tons (raw basis)—about 550,000 tons below last season and 100,000 less than last month's estimate. Cane sugar output, at 2.88 million tons, is forecast up slightly from last season.

U.S. sugar consumption is estimated at 8.8 to 9.0 million tons in 1983, down from 9.15 million in 1982. This decline, largely due to substitution of alternative sweeteners, is expected to continue in 1984. [Robert D. Barry (202) 447-7280]

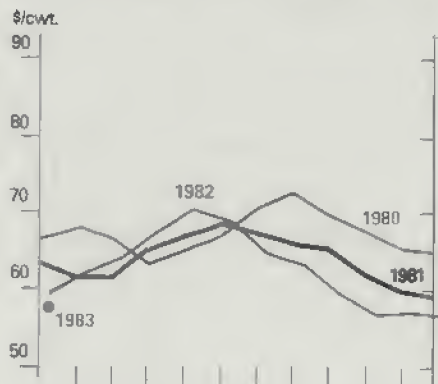
#### Vegetables

Production of the nine major fresh vegetables totaled a record-high 203 million cwt during 1982, up 5 percent from 1981 and the second consecutive year of record output. A 3-percent boost in area and a 2-percent gain in yield produced last year's record output. The increased area reflected 1981's record-high prices and the trend toward larger per-capita consumption of fresh vegetables. Lettuce output fell slightly, although lettuce remained the largest fresh vegetable crop (61 million cwt). A record onion harvest and substantial gains in carrot and broccoli output provided the bulk of the total production increase.

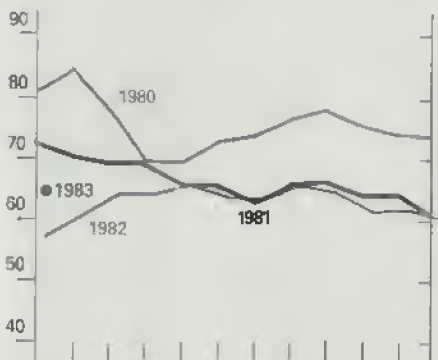


# Commodity Market Prices: Monthly Update

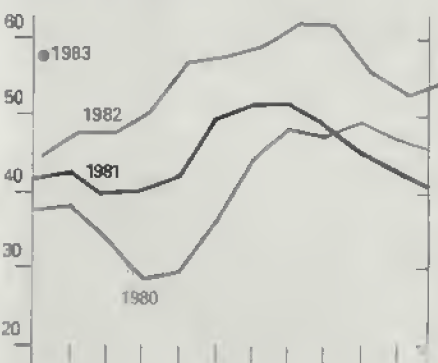
**Choice steers<sup>1</sup>**



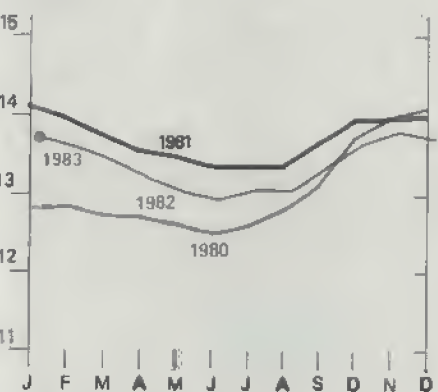
**Choice feeder cattle<sup>2</sup>**



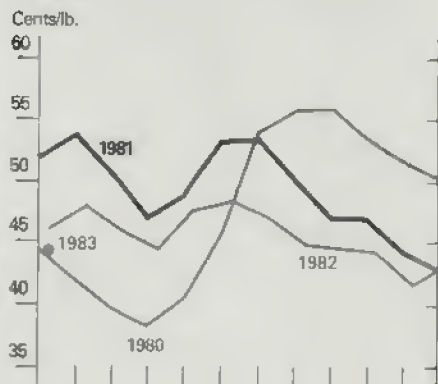
**Barrows and gilts<sup>3</sup>**



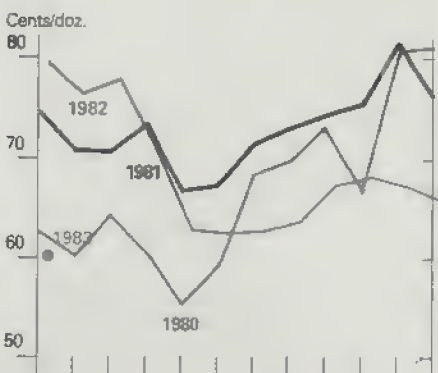
**All milk**



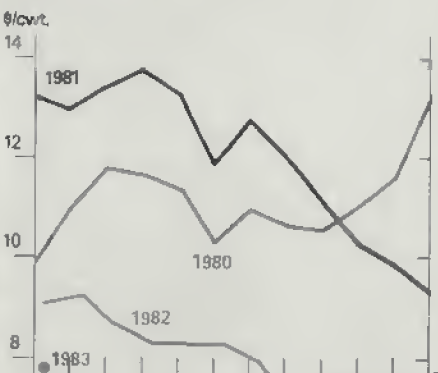
**Broilers<sup>4</sup>**



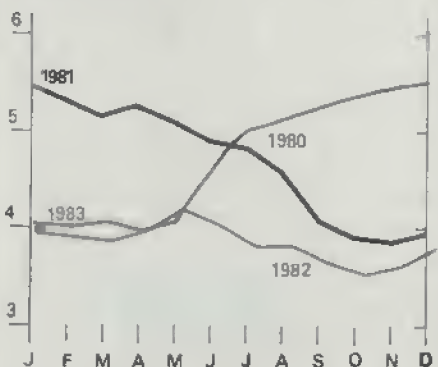
**Eggs<sup>5</sup>**



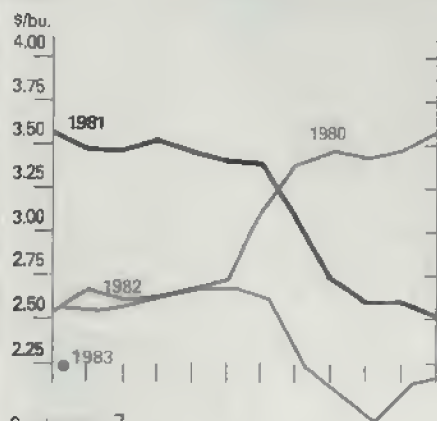
**Rice (rough)**



**Sorghum grain**



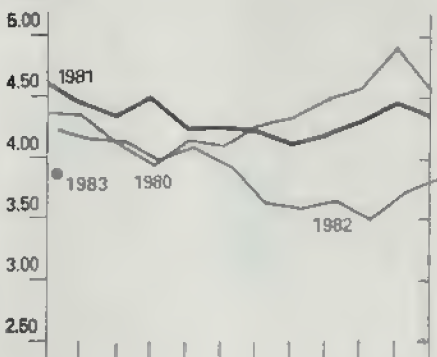
**Corn<sup>6</sup>**



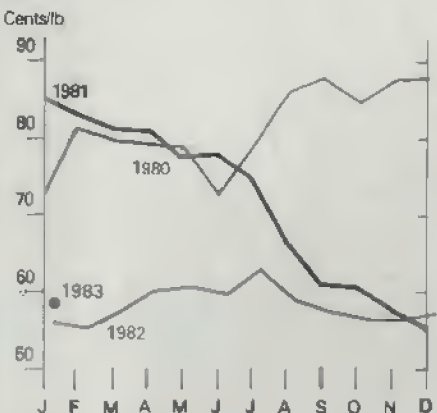
**Soybeans<sup>7</sup>**



**Wheat<sup>8</sup>**



**Cotton<sup>9</sup>**



Prices for most recent month are mid-month prices.  
<sup>1</sup> Omaha. <sup>2</sup> 600-700 lbs., Kansas City. <sup>3</sup> 7 markets.

<sup>4</sup> Wholesale, New York. <sup>5</sup> Grade A Large, New York.

<sup>6</sup> No. 2 Yellow, Chicago. <sup>7</sup> No. 1 Yellow, Chicago.

<sup>8</sup> No. 1 HRW, Kansas City.

<sup>9</sup> Average spot market. SLM, 1-16."

The larger production combined with slowed produce sales in second-half 1982 caused the index of grower prices to decline during 1982 to 121 (1977=100), more than a tenth below a year earlier. September's reading of 88 was the lowest in 4 years. The poor market environment last summer forced some abandonment of lettuce, tomato, and cantaloupe acreage. In contrast, the retail price index for fresh vegetables averaged 7 percent higher last year than in 1981. The higher retail prices at a time of lower grower prices may reflect an increase in retailers' margins, which were probably squeezed by 1981's record-high grower prices. Higher trucking costs also contributed to the retail price rise.

For winter 1983, the area for harvest of seven major fresh vegetables totals 154,750 acres, 15 percent more than last year. The lettuce area is up 17 percent, probably reflecting the record-high prices received by Imperial Valley and Arizona growers last winter, as well as the reduced risk of whitefly infestation there. Florida growers sharply increased their acreage of tomatoes and sweet corn.

Barring a third consecutive Florida freeze, fresh vegetable prices during first-quarter 1983 should average sharply lower than a year earlier. In addition to the larger U.S. acreage, devaluation of the Mexican peso has made the U.S. market attractive to Mexican growers. From October through mid-January, fresh vegetable shipments from Mexico were running 30 percent ahead of a year ago. From the demand side, many growers and shippers felt economic conditions were the primary culprit in limiting fresh produce sales in the second half of 1982. The sluggish demand may persist because of the weak economy. All these factors suggest the seasonal winter increase in fresh vegetable prices will be much lower than normal. [Michael Stellmacher (202) 447-7290]

#### Fruit

Supplies of most fresh and processed fruits are expected to be larger than a year ago in coming months. Cold storage holdings of fresh apples and grapes are considerably above a year earlier. Supplies of most processed noncitrus fruit are adequate for market demand.

U.S. citrus prospects on January 1 indicated a 1982/83 crop of 14 million tons, 17 percent above last season's freeze-damaged harvest. A 26-percent larger orange crop is leading the projected gain. Larger crops are also estimated for lemons, tangerines, and Temples, but smaller crops are indicated for grapefruit and tangelos. Supplies of most processed citrus items are also likely to be larger than a year ago.

Marking the fourth consecutive monthly decline, the index of grower prices for fresh and processing fruit dropped 10 percent from December 1982 to January 1983, and now is 6.3 percent below a year ago. Lower prices for strawberries and apples contributed most to the decrease. In January, prices for apples, grapefruit, and lemons were below a year ago, while pear prices were sharply higher. Orange prices were still slightly above last year's levels, and strawberry prices were moderately higher. With increasing supplies, the index is expected to remain below year-ago levels this winter—unless there is a freeze in the citrus areas.

Retail prices for fresh fruit declined for the fourth consecutive month in December; they were down 5.2 percent from November, but still 1.6 percent above a year ago. Retail prices of apples and bananas were below a year ago, but orange prices were considerably higher. Retail prices will likely continue to decline through the winter. With moderately rising marketing costs, retail prices of fresh fruit may average slightly below a year ago this winter. [Ben Huang (202) 447-7290]

#### Peanuts

U.S. peanut supplies for 1982/83 (August-July) may total 4.2 billion pounds, about 5 percent below last season. Because of a reduction in acreage, production was 14 percent lower than last year. However, the 1982 yield of 2,703 pounds per acre is the highest on record.

Edible uses are expected to increase in 1982/83, possibly reaching the pre-1980 drought level of more than 2 billion pounds. Because of increased demand and a smaller crop, crushings may be down about a fifth.

Exports will likely increase further in 1982/83, but will fall short of pre-1980 drought levels. The strength of the

dollar overseas and the economic recession continue to dampen demand for peanuts in Europe, the main market for U.S. peanuts. [Verner N. Grise (202) 447-8776]

#### Tobacco

U.S. tobacco production in 1982 totaled 1.96 billion pounds, 5 percent below the previous year. Reductions in acreage of flue-cured and some other types caused the smaller crop. Burley production is estimated 10 percent higher at 801 million pounds. A smaller crop is expected for 1983 because the effective quotas for flue-cured and burley are lower.

Declines in exports and domestic use will pull down total tobacco use in 1982/83. During July-December, U.S. exports of unmanufactured tobacco declined by about 8 percent in volume from a year earlier, and sluggish auction buying suggests that shipments will continue lower throughout the season. A decline is also indicated for domestic use of U.S. tobacco; factors include weaker demand for cigarettes, continued reductions in tobacco use per cigarette, and increased use of imported flue-cured and burley in cigarettes.

Sales of the 1982 burley crop are about 95 percent complete. Even though price supports are 7 percent higher, burley auction prices are averaging about the same as last year. Both quality and demand were down in 1982.

As a condition for price supports on 1983 flue-cured tobacco, producers must agree to contribute 7 cents a pound to a no-net-cost tobacco fund on all flue-cured tobacco sold. The contribution was 3 cents a pound in 1982 but was raised for 1983 because the 1982 contribution was insufficient to cover expected losses from the disposition of last year's crop. The 7-cent contribution for 1983's crop is expected to offset losses that might occur on the 1983 crop, as well as partly offset potential losses on the 1982 crop. For the 1983 and subsequent tobacco crops, owners of flue-cured tobacco farms who lease and transfer all or any part of a marketing quota must contribute to the no-net-cost fund an amount equal to the producer's contribution—7 cents per pound of quota transferred in 1983. [Verner N. Grise (202) 447-8776]





## Farm Income Update

### OUTLOOK FOR 1983

The outlook for 1983 farm income, although highly uncertain, appears stronger than a few months ago—primarily reflecting implementation of the payment-in-kind (PIK) program (see "Agricultural Policy" for details). Crop cash receipts will likely decline because of smaller 1983 production, less CCC loan activity, and relatively low prices, while direct Government payments will remain at historically high levels. These high payments combined with increasing livestock receipts are expected to offset part of the decline in crop receipts, thus minimizing its impact on gross farm income.

However, gross farm income will likely decline slightly from that of 1982, while farm production expenses could actually fail to rise for the first time since 1953. Cutbacks in acreage planted to the five PIK commodities alone could reduce total input use 3 to 4 percent from the level anticipated under previously announced programs.

Thus, with gross farm income forecast to fall and production expenses remaining flat, net farm income for 1983 will likely decline from the \$20.4 billion estimated for 1982. Before inventory adjustment, net farm income is forecast at \$17 to \$21 billion; \$16 to \$20 billion after adjusting for a projected negative inventory change.

### Selected Farm Financial Indicators

	1979	1980	1981	1982 F	1983 F
	\$ Bil.				
Income Variables					
Cash marketing receipts <sup>1</sup> . . . . .	131.7	139.5	143.5	144.0	138-142
Cash production expenses . . . . .	97.6	106.6	115.8	117.4	113-117
Net cash income <sup>2</sup> . . . . .	37.0	35.8	31.5	32.2	30-34
Net cash flow <sup>3</sup> . . . . .	44.1	39.8	36.9	33.2	24-29
Total production expenses . . . . .	119.0	130.5	141.8	144.4	142-146
Net farm income . . . . .	32.3	20.1	25.1	20.4	16-20
Off-farm income . . . . .	33.8	36.6	39.3	41.0	41-45
Disposable personal income of the farm population . . . . .	46.6	39.9	44.7	42.4	40-44
	Dollars				
Family Income per farm <sup>4</sup> . . . . .	27,214	23,350	26,456	25,583	24-27
Real disposable income per farm . . . . .	11,735	9,269	9,385	8,522	7-9
	\$ Bil.				
Balance Sheet Variables					
Real estate assets <sup>5</sup> . . . . .	691.4	760.0	756.0	722.2	650-750
Non-real estate assets <sup>6</sup> . . . . .	213.2	223.3	227.6	243.2	230-270
Total liabilities <sup>7</sup> . . . . .	147.5	163.1	181.6	196.7	180-220
Total farm sector equity <sup>8</sup> . . . . .	757.1	820.1	802.0	768.7	750-790
	Dollars				
Equity per farm <sup>9</sup> . . . . .	311,850	336,973	329,094	320,292	300-350
	Percent				
Selected Analytic Ratios					
Debt to asset <sup>10</sup> . . . . .	16.3	16.6	18.5	20.4	20-23
Debt to equity <sup>11</sup> . . . . .	19.5	19.9	22.6	25.6	25-27
Debt to net cash income <sup>12</sup> . . . . .	399	456	577	611	600-650
Prices received to prices paid <sup>13</sup> . . . . .	107	97	92	86	80-84

F = Forecast. <sup>1</sup>Including CCC loans. <sup>2</sup>Cash receipts used in this series include CCC loans. <sup>3</sup>Includes farm and off-farm income. <sup>4</sup>Indicator for January 1 of following year and excludes farm households (Jan 1, 1982 data is preliminary). <sup>5</sup>Total debt outstanding (excluding farm households) to net cash income (including CCC loans). <sup>6</sup>Index of prices received by farmers divided by the index of prices paid for commodities and services, interest, taxes, and wage rates (1977=100).

Many factors could alter these forecasts as the year progresses: 1) 1982 income statistics—tentative until expense data are available in June—which largely form the base for 1983 forecasts; 2) the rate and level of participation by farmers in announced farm programs; 3) domestic crop output in 1983; 4) the strength of economic recovery and its effect on domestic and world agricultural demand; and 5) world agricultural production and U.S. exports. Any one of these variables could substantially change the financial position of the farm sector from the forecasts presented here.

### Cash Receipts To Decline In 1983

Total cash receipts in 1983 are currently expected to decline 3 to 5 percent from the \$144 billion forecast for 1982. Crop cash receipts, made highly uncertain by unknown participation rates in the PIK and other commodity programs and by weather during the growing season, could fall 6 to 8 percent to around \$70 billion. Although some commodity prices will improve in 1983, the average seems unlikely to change much. An expected substantial decline in fruit and vegetable prices and a small decline in oilseed prices could be partly offset by small price gains for wheat and corn.

Total farm output in 1983 is expected to be about 6 to 8 percent less than the 1982 record. Crop production will likely be down substantially because of a sharp decline in planted acreage. Livestock output may remain about the same, as low prices and weak demand continue to press producers' margins. Planted acreage for principal crops is forecast to decline more than 10 percent because of the strong incentives provided by 1983 farm programs. Production is expected to decrease the most for wheat, rice, corn, and cotton.

With the smaller expected 1983 production, crop marketings in the second half of the year may decline from a year earlier—even with the PIK program, which will be replacing foregone production at a less than 1 to 1 ratio (.95 for wheat and .80 for corn, sorghum, rice, and cotton). In addition, the 5 months of free storage provided under PIK for grains and cotton (plus a payment equal to 7 extra months for farm-stored grain in the farmer-owned reserve) could stretch the marketing period for PIK grain well into 1984—with these sales then counted as 1984 receipts.

Smaller marketings next summer and fall could offset the larger first-half marketings resulting from 1982's record crop production. However, crop prices are expected to rise for many grains during the last part of 1983 as production declines, somewhat offsetting the lower marketings. Higher prices may raise cash receipts for many crops in 1984, but receipts for most crops will likely decline in 1983.

Cash receipts from 1983 marketings of livestock and related products are currently expected to rise 1 to 3 percent to about \$71 billion, as prices received rise 2 to 4 percent. With red meat and poultry production forecast down from 1982, the gain projected for livestock receipts depends on improvement in the general economy. Lower unemployment and higher real incomes will be necessary to achieve higher prices and improved cash receipts for livestock in the year ahead.

Cash receipts from red meats are expected to climb 4 percent as prices rise in response to lower output together with some improvement in demand. Receipts for cattle may improve somewhat as higher prices outweigh reduced marketings. Receipts for hogs are expected to remain near their 1982 level, with higher prices offsetting reduced marketings. Larger marketings will boost milk receipts, as milk prices are expected to remain near 1982 levels. Poultry and egg receipts are anticipated to fall for the second straight year, as lower egg receipts will offset higher broiler and turkey receipts. Egg prices are expected to fall, also for the second year, because of continued weak demand.

#### **Production Expenses To Remain Flat**

One of the PIK program's largest impacts in 1983 will be on production expenses, which are forecast to remain near their 1982 level of \$144 billion and could actually decline given substantial participation in the program. With the large (10 percent or greater) cutbacks in planted acreage possible due to this year's farm programs, overall demand for production inputs will decline. This would affect nearly all expenses associated with crop production, but especially fertilizer, seed, pesticides, fuels and energy, and operating credit.

Since use of farm-origin inputs associated with livestock production—feed and purchased livestock—will not be affected so much by the PIK program in 1983, these expenses could rise while those for manufactured and purchased input expenses decline—a switch from the pattern of recent years. Expenses for capital repairs, taxes, and real estate interest will likely increase in 1983. However, short-term interest expenses are expected to decline markedly—driven down by lower average interest rates on outstanding nonreal-estate debt, plus flat or lower demand for credit resulting from acreage cutbacks and weak machinery demand. Cash expenses (excluding depreciation and noncash perquisites to hired labor) may actually decline 1 to 3 percent from their 1982 level.

Because capital expenditures declined substantially in 1982 and are expected to continue downward in 1983, depreciation expenses will likely rise at a much slower rate this year. Depreciation expenses are largely a function of capital expenditures and the prices of capital items in the current year (since they are calculated on a replacement cost basis).

#### **Little Change in Farm Income Foreseen**

The outlook for cash receipts and production expenses, while highly uncertain, indicates downward pressure on the aggregate financial indicators for agriculture during 1983. Rising livestock receipts and Government payments will likely be more than offset by lower crop receipts, leaving gross farm income below the 1982 level. With production expenses little changed as well, net farm income in 1983 is likely to fall from the expected 1982 level of \$20.4 billion—ranging from \$17 to \$21 billion before inventory adjustment. After a negative inventory adjustment of \$1 to \$3 billion, net farm income could be \$16 to \$20 billion. Lower crop production is expected to reduce total stocks in 1983, despite the addition of PIK grains and cotton. Livestock inventories may also decline. Farm income is expected to improve in 1984 as the large crop stocks are reduced through the PIK program and the general economy strengthens.

Net cash income (including net Commodity Credit Corporation (CCC) loans) is forecast to remain near the expected 1982 level of \$32.2 billion, with both total cash income (cash receipts, direct Government payments, and other cash income) and cash expenses expected to decline by similar amounts. Net cash income is forecast to range from \$30 to \$34 billion in 1983.

As in 1982, real estate loans during 1983 are expected to rise more slowly than in previous years, as land sales remain low and refinancing rates decline. Nonreal-estate loans will likely



be down in 1983, as variable input purchases, machinery purchases, and net CCC loan activity decline. As a result, total farm debt on January 1, 1984, may be only slightly higher than a year earlier.

Reflecting lower cash receipts, rental incomes are also expected to be down. Net cash flow<sup>1</sup> will likely fall in 1983 from 1982's estimated \$33.2 billion—perhaps ranging from \$24 to \$29 billion—as prospects for flat net cash income and lower rental income offset the stabilization of farm borrowings and lower capital expenditures.

Direct Government payments of about \$3.5 billion were instrumental in supporting cash flow within the farm sector last year, and they are expected to be important again in 1983. Direct Government payments will likely remain large by historical standards, as farm prices are forecast to stay below target levels for most crops. The resulting deficiency payments will likely be paid out during 3 years, starting with 1982 (advances on the 1983 crops) and continuing into calendar 1983 (for wheat, barley, oats, and requested advances on other crops) and 1984 (for corn, grain sorghum, rice, and cotton).

The major uncertainty about 1983 payments, aside from absolute levels, concerns the timing of payment releases. The total amount advanced in 1982 is not yet fully known, and requests for advances from programs which would normally be paid in 1984 are also unclear. Disbursement of requested advances has been suspended until the PIK signup period ends on March 11, because of the heavy workload anticipated. Total advances paid in 1982 were smaller than anticipated, as many farmers chose to receive their advances during calendar 1983. Crop-land diversion payments, last used on the 1979 crop, may total over \$1 billion in calendar 1983. Deficiency payments are forecast to add over \$2.0 billion to total 1983 direct payments, about the same as in 1982. [Gary Lucier (202) 447-4190]

<sup>1</sup>Net cash flow measures the change in cash available for household consumption, further business operations, or acquisitions of land and buildings.



## World Agriculture and Trade

### Slow World Growth Projected

Recovery in the world economy is projected to build throughout 1983, led by growth in the industrialized nations. The United States' economy is expected to show initial signs of growth by the second quarter, followed by some acceleration in the economies of Canada, Japan, and Europe. Recovery in the developing nations, however, will lag behind.

Faced with the outlook of fairly weak export growth in 1983, such countries as Mexico, Brazil, Chile, and Argentina will again be forced to limit imports in order to conserve foreign exchange and meet payments on their international debt. For the non-oil exporting countries as a group, export earnings have been stagnant since the end of 1979. When adjusted for inflation, the purchasing power of these earnings (in terms of U.S. dollars) has dropped an average of 7 percent per year since then. Some Asian developing countries—especially South Korea, Taiwan, Singapore, and Hong Kong—are particularly dependent on export revenues for economic growth. Projected low export growth for 1983 could keep the rate of economic growth in Asia well below the high rates of the 1970's.

The centrally planned economies are likely to suffer another disappointing year in 1983. Virtually all these nations will be trying to correct shortfalls in their balance of payments. Efforts to increase the efficiency of agricultural production will be renewed.

For the world economy as a whole, growth in 1983—while forecast to be better than during 1979-82—will remain very low by past recovery standards. The industrialized countries will probably register extremely low growth rates for a recovery period. In December, the Organization for Economic Cooperation and Development (OECD) forecast economic growth for its 24 members to average 1.5 percent in 1983. In contrast, following the 1975 recession, growth in the gross domestic product (GDP) of the OECD soared to 5.2 percent.

### Limited Gains Seen for U.S. Agriculture

U.S. agricultural exports will not likely benefit much this year from the expected recovery, for three reasons. First, projected rates of growth in personal consumption are quite low, especially for the European countries—where consumption is forecast to grow even less than GDP. In Japan, on the other hand, consumption may increase faster than the GDP.

Second, throughout 1983 unemployment overseas is likely to remain at or near the levels prevailing at the end of 1982. A weighted average of unemployment rates for the major foreign markets—Japan, Canada, France, Germany, and the United Kingdom—reached 7.3 percent in the fourth quarter of 1982, with the average lowered by Japan's 2.4 percent rate. Unemployment in some European countries ran as high as 14 percent in late 1982, with the overall rate in Europe close to 10 percent. It will probably average higher this year. Until the employment picture improves, unemployed consumers and those threatened by unemployment are likely to hold back on purchases.

## International Economic Projections for 1983

	Inflation rates				Real GNP growth		
	1980	1981	1982p	1983F	1980	1981	1982p
United States . . . .	13.5	10.4	6.0	5.0	-0.4	1.9	-1.8
Canada . . . . .	10.1	12.4	10.0	9.0	0.0	3.0	-4.0
EC-10 . . . . .	13.1	10.0	9.7	9.3	1.1	-0.8	0.5
Japan . . . . .	8.0	4.9	2.5	3.0	4.2	3.0	2.5
Africa . . . . .	17.0	19.0	15.0	13.0	0.2	3.1	2.5
Asia . . . . .	11.1	8.5	8.0	8.0	4.5	5.9	4.5
Latin America . . .	56.0	63.0	65.0	60.0	4.4	0.2	0.1
Centrally Planned . .	n.a.	n.a.	n.a.	n.a.	2.4	1.5	2.4

p = preliminary. F = Forecast. n.a. = not available.

Third, the foreign-exchange constraints in many developing countries will, in some cases, force governments to cut back on their food imports. This situation is not likely to change markedly over the course of 1983.

### Positive Trends Toward Recovery...

Several underlying trends in the industrial economies point to a projected recovery beginning early in 1983 and accelerating by yearend. The prolonged recession has depleted inventories enough that increased investments in inventories are likely throughout much of Europe, Japan, Canada, and the United States. Somewhat looser monetary policies may reinforce this trend. This would help lift production levels, employment, and overall output. Production in Japan and the United Kingdom began to turn up in the fourth quarter of 1982, and for most countries it is expected to rebound in 1983 and reverse the downward path set last year.

In most of the industrialized nations, gains against inflation have provided officials the flexibility to ease monetary targets—which will probably allow for somewhat faster money growth in 1983 than in 1982. This trend began last summer and is likely to continue until the recovery is well underway. Analysts, however, expect monetary officials to keep a close eye on inflation and to tighten the flow of money once inflationary pressures begin to reappear—thereby limiting the recovery.

Inflation in consumer prices is likely to ease further in 1983—averaging under 6 percent for the major foreign markets. Since 1980, when it averaged 9.8 percent for this group of countries, inflation has moderated because of smaller wage gains, depressed commodity prices, and, in the United States, a stronger dollar. On the other hand, the strong dollar—which rose steadily from the fourth quarter of 1980 through the fourth quarter of 1982—has contributed to inflation overseas.

### ... And Possible Constraints

Interest rates have come down from the highs of 1980 and 1981, and they may decline a bit more in 1983. By the end of the year, however, short-term rates may start to turn up some, assuming the recovery is sustained and policies remain the same. Increased private and governmental demands for credit will tend to push up interest rates overseas and in the United States as well. Still, short-term interest rates, at about 8 percent in early February on a weighted-average basis, will not likely exceed 8 to 9 percent by yearend.

Even with the recent and projected declines in inflation, global real interest rates—interest rates adjusted for inflation—remained high in 1982 and will continue so in 1983. Fluctuating between 3 and 4 percent in 1982, real short-term rates were lower than their 1981 high of 4.2 percent. In 1983, real interest rates will probably remain around 3 percent—high enough to continue constraining consumption, investment, and overall output.

Consumption growth will be further limited by low wage gains, especially when adjusted for inflation, and by continuing high unemployment. Investment in plants and equipment is expected to show only slight gains in 1983, in part because of continuing high real interest rates but also because of slack demand and low capacity utilization. Nevertheless, outlays are not projected to repeat the declines of the past 2 years.

Exports may rebound this year for some countries. A continuing recovery in U.S. housing may boost Canada's exports of lumber and building materials, while the strengthening U.S. auto market could increase Canadian and Japanese auto exports. Europe's exports are not likely to grow as much as either Japan's or Canada's. Because European nations tend to trade mostly among themselves, the low import demand throughout Europe will likely prevent much export strength for any individual country. Also limiting European exports in 1983 will be market weakness in the Middle East and Africa. [Art Morey (202) 447-8470]

### Upcoming Situation Reports

USDA's Economic Research Service will issue the following situation reports this month:

Title	Summary Released
Sugar & Sweetener	March 4
Cotton & Wool	March 7
Fruit	March 8
Tobacco	March 9
World Crop Production*	March 10
Ag Supply & Demand*	March 11
Dairy	March 17
Rice	March 23

All reports are reviewed by the World Agricultural Outlook Board (WAOB). Copies of the full reports will be available a week to 10 days after the summary is released. Reports available through subscription only. For subscription information, write or call: EMS Information, Rm. 440 GHI Bldg, 500 12th St. SW, Washington, D.C. 20250 (202) 447-8590. \*These reports, released by the WAOB, are issued in full on the date indicated.

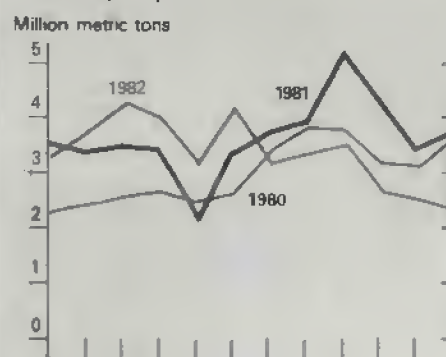


# U.S. Agricultural Trade Indicators

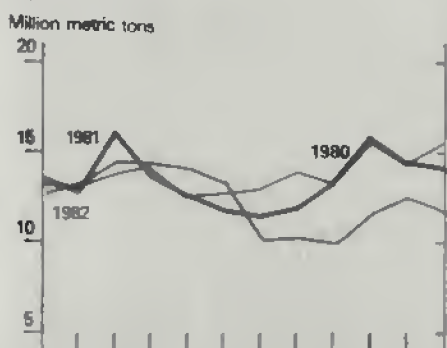
## U.S. agricultural trade balance



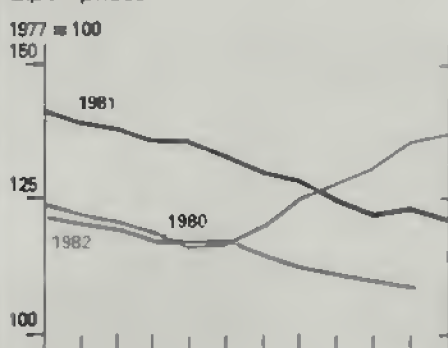
## U.S. wheat exports



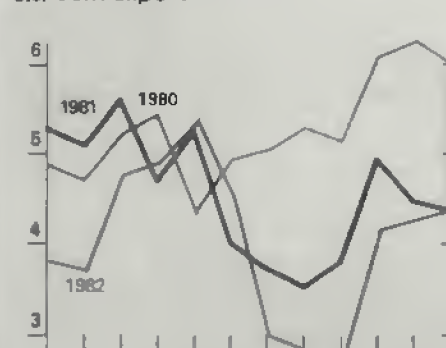
## Export volume



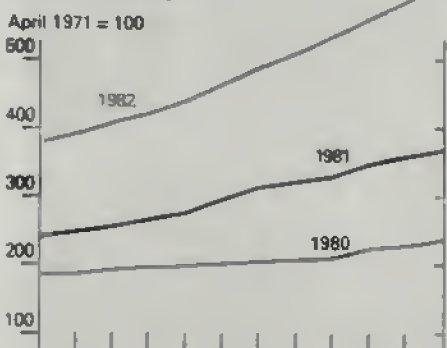
## Export prices



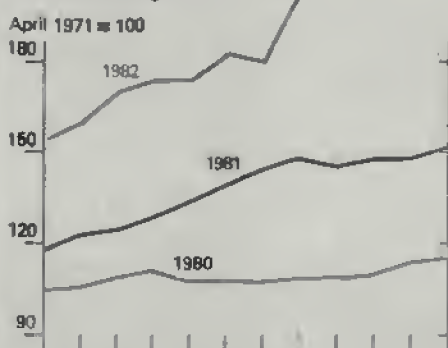
## U.S. corn exports



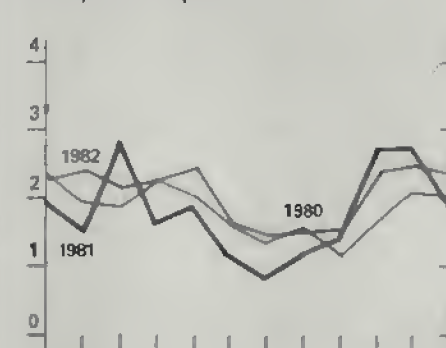
## Wheat exchange rate\*



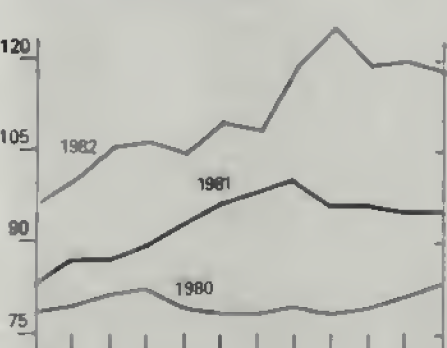
## Corn exchange rate\*



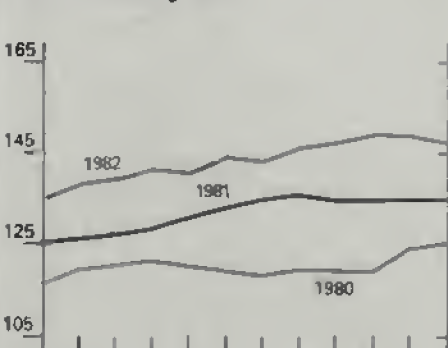
## U.S. soybean exports



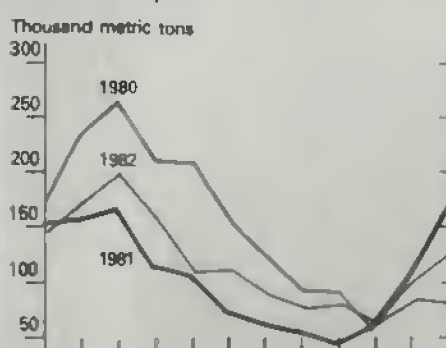
## Soybeans exchange rate\*



## Cotton exchange rate\*



## U.S. cotton exports



\*Foreign currency value of U.S. dollar, weighted by relative size of agricultural trade with the United States. An increasing value indicates that dollar has appreciated against the basket of currencies represented in that particular commodity market.



## General Economy

### Modest Recovery Expected In 1983

The recovery that failed to appear during the second half of 1982 is now anticipated to be underway by the second quarter of 1983. Following an expected weak first quarter, consumer demand for agricultural products should begin to expand slowly, with modest growth forecast for the second half of the year. For all of 1983, real (inflation-adjusted) GNP, consumption, and disposable personal income are projected to average about 2 percent above their 1982 levels.

The major impetus to recovery will be lower interest rates, which have already spurred a turnaround in housing and general construction. Sales and production of autos and other consumer durables are also expected to pick up in response to the lower interest rates, which are forecast to average 2 to 3 percentage points below 1982 levels. However, sluggish investment and export demand will constrain the recovery, now expected to be the weakest on record.

With a sluggish recovery, unemployment is forecast to remain above 10 percent all year—keeping downward pressure on wages. Cyclical gains in productivity will also help restrain unit labor costs, the major determinant of underlying (or "core") inflation. Because neither demand nor cost pressures are expected to be evident this year, the Consumer Price Index is forecast to rise only 5 percent (year-over-year basis), down about 1 point from 1982's 6-percent rise.

### Federal Government Absorbing 50 Percent of Total Credit

The Federal Reserve Board (FRB) recently reported that the Federal Government issued \$288.7 billion in securities (annual rate) during the third quarter. This represents just over 50 percent of all credit raised in the nation's money markets—double the 25-percent share in the third quarter of 1981. Massive Federal borrowing is expected to continue even as the economy recovers, with deficits forecast at or near \$200 billion through the late 1980's.

During previous recoveries, deficits and associated Federal borrowing declined rapidly, leaving more room for an expansion in private credit demand. This time, as the economy recovers and private credit demand picks up, Government borrowing of the magnitude projected will keep upward pressure on real interest rates (nominal interest rates adjusted for inflation) and crowd out other sectors of the economy. This will tend to offset the fiscal stimulus implied by record deficits, causing a fragile and uncertain recovery. The deficits likely will not be inflationary so long as the FRB adheres to a tight monetary policy.

The FRB could, however, supply enough new credit to accommodate both government and private demand, thus offsetting the upward pressure on real interest rates. In this case, economic recovery would be stronger, but renewed inflationary pressures would likely emerge in about 2 years.

**The U.S. Economy in Transition...** The short-run cyclical aspects of the current recession—inventory accumulation and depletion—appear to have run their course. At the same time, the U.S. economy appears to be still undergoing a profound, long-run structural change away from basic smoke-stack industries towards service-oriented, high technology enterprises.

Although this shift has been evolving for several years, the current recession has been concentrated dramatically in those basic industries in relative decline, while largely sparing those with strong growth potential. The shift implies that traditional blue-collar workers' lives and economic behavior likely will not return to normal as the economy recovers.

Jobs in durables manufacturing peaked in the mid-1960's at about 19 percent of total employment, but fell to 13 percent in 1982. Even at the peak of the current business cycle, the durables' share reached only 15 percent in 1978-79, well below its average during the 1960's. As the economy emerges from the current recession, employment in durables manufacturing will grow more slowly than the rest of the economy. As a result, many unemployed workers in steel, automobile, and related industries will not regain their previous jobs.

In contrast, the emerging service industries have continued growing despite the current recession. Compared with 20 percent in the mid-1960's, services now account for nearly 30 percent of total employment. Likewise, consumer expenditures on services rose from about 30 percent of disposable personal income to about 40 percent over the same period. Even in recessionary 1982, constant-dollar spending on services rose about 2 percent, compared with about a 2-percent decline in durables consumption. Service industries—including housing services, insurance, finance, and medical services—are expected to continue growing faster than the general economy during the 1980's.

### ... Has Implications for the Food and Fiber Sector

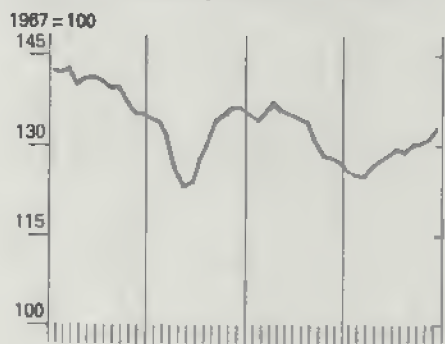
Although food and beverage consumption has increased over time, it has grown more slowly than consumer incomes. As a result, the share of disposable personal income spent on food has fallen from about 20 percent in 1960 to about 16 percent in 1982. As the total economy expands, demand for agricultural products also grows; but it's driven mainly by population growth, rather than by income growth.

The shift towards a service-oriented economy also shows up in food consumption patterns. For example, within the declining income share of food and beverage consumption, the share spent on food-away-from-home rose from about 20 percent in 1960 to about 26 percent in 1982, while that for food-at-home fell from 76 to 72 percent. Again, the major growth in demand is for processing and marketing services performed on food, rather than for raw agricultural products. (Paul Prentice (202) 447-2317)

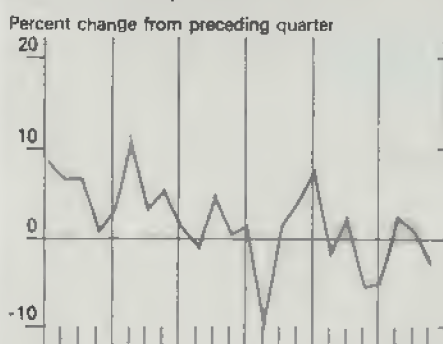


# General Economic Indicators

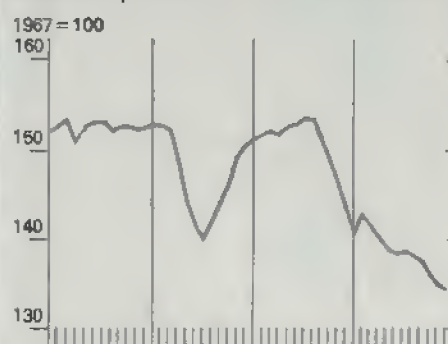
Composite leading economic indicators



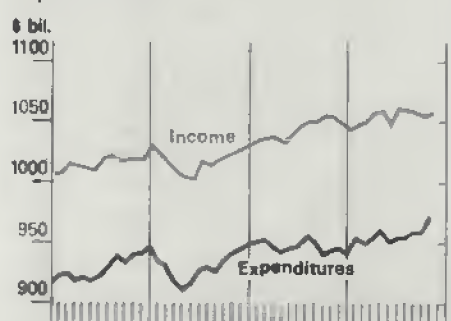
Gross national product<sup>1</sup>



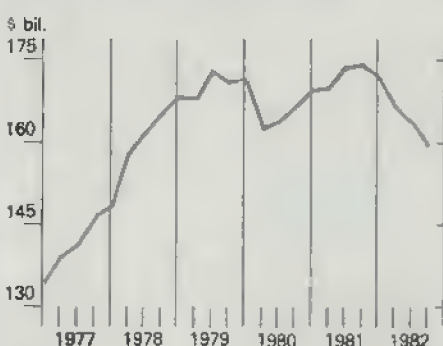
Industrial production



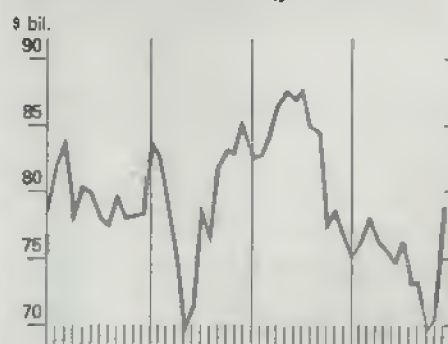
Disposable income and consumption expenditures<sup>2</sup>



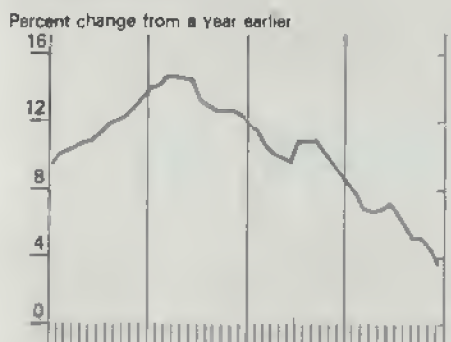
Nonresidential fixed investment<sup>2</sup>



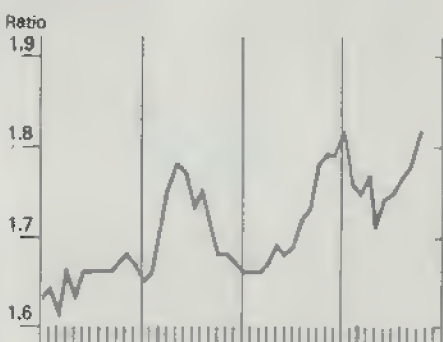
Manufacturers' durable goods orders<sup>3</sup>



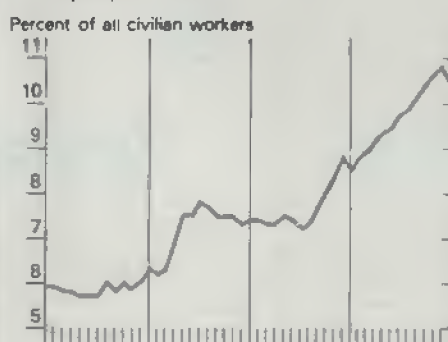
Consumer price index



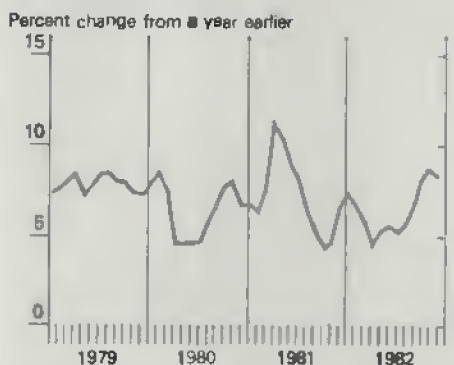
Inventory/sales<sup>4</sup>



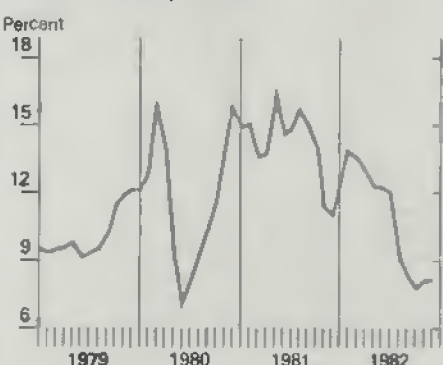
Unemployment rate<sup>5</sup>



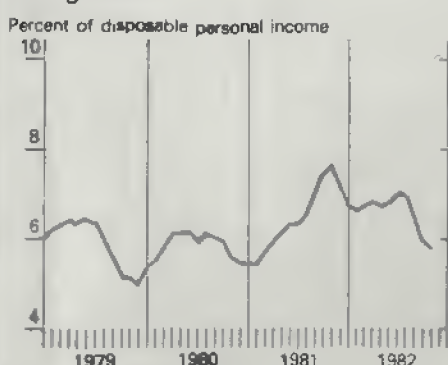
Money supply (M1)



3-month treasury bill rate



Savings rate<sup>6</sup>



<sup>1</sup>Percent change from previous quarter in 1972 dollars. Seasonally adjusted annual rates. <sup>2</sup>Billions of 1972 dollars, seasonally adjusted at annual rates. <sup>3</sup>Nominal dollars. <sup>4</sup>Manufacturing and trade, seasonally adjusted; based on 1972 dollars. <sup>5</sup>Seasonally adjusted. <sup>6</sup>Calculated from disposition of personal income in 1972 dollars, seasonally adjusted at annual rates. Sources are: U.S. Dept. of Commerce, U.S. Dept. of Labor, and the Board of Governors of the Federal Reserve System.



## Inputs

### FERTILIZER OUTLOOK:

#### Use To Decline Again

Because of this year's acreage-reduction programs and continued low farm prices, fertilizer consumption will fall again in 1982/83. After slipping 9 percent in 1981/82 to a depressed 21.5 million short tons, plant nutrient consumption could decline another 7 to 12 percent this year. Consumption will vary by region according to participation in the 1983 commodity programs.

Besides the reduced-acreage programs in place at the end of 1982, the recently implemented payment-in-kind (PIK) program will also be dampening fertilizer use. Programs announced in late 1982 were expected to reduce overall fertilizer consumption 3 to 5 percent, while the PIK program could lower use by another 4 to 7 percent. Without PIK, nitrogen consumption was forecast at 10.6 to 10.8 million tons; phosphate, 4.5 to 4.6 million; and potash, 5.3 to 5.4 million. With PIK, nitrogen consumption is forecast at 10.0 to 10.3 million tons (compared with 11.1 million in 1981/82); phosphate, 4.3 to 4.5 million (compared with 4.8 million); and potash, 5.0 to 5.2 million (compared with 5.6 million).

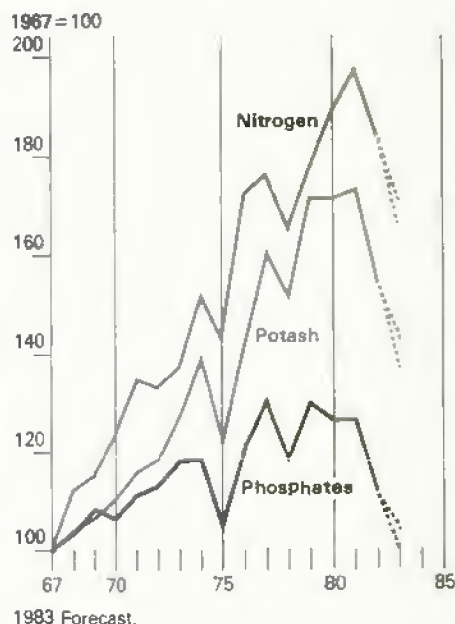
### U.S. Farm Prices for Fertilizer Softening

	\$ per ton			
	May 15, 1982	Oct. 15, 1982	Dec. 15, 1982	May 15, 1983 F
Anhydrous ammonia . . .	255	236	230	250
Urea . . . . .	235	228	222	230
Diammonium phosphate . . . . .	262	251	248	251
Concentrated superphosphate . . . . .	228	216	212	216
Muriate of potash . . . . .	155	146	143	143

F = Forecast.

Use on PIK-affected crops will probably fall less than acreage does because application rates are likely to increase on the acres planted. The program will lower use the most for corn production, as corn requires large amounts of fertilizer per acre and acreage will be down substantially.

### Fertilizer Consumption Dropping Sharply



### Spring Prices Could Be Lower

Overall, prices farmers pay for fertilizer this spring could be 1 to 5 percent lower than a year earlier—reflecting reduced demand, continued imports of nitrogen fertilizers, and above-normal producer inventories of potash. If retailers rebuild their currently low inventories of phosphate fertilizer, movement and prices could strengthen. A strong upsurge in spring demand could cause short periods of tight supplies and stronger prices, especially for nitrogen, since idle production capacity cannot be reactivated quickly.

In December 1982, farm prices for the major fertilizers were down 2 to 10 percent from May 1982, with the overall average down 5 percent. Given reduced demand, idle production capacity, and large potash inventories, phosphate and potash prices are not likely to recover much, if at all, by spring. Prospects for price recovery are probably best for nitrogen fertilizer materials, as use will fall less because of higher application rates. Also, nitrogen producers are not expected to revive production for spring demand as quickly as other producers.



## Production Down, But Supplies Adequate

Although supplies in the pipeline are low, manufacturers hold substantial inventories of nitrogen and potash; these plus the revival of idle production capacity should keep fertilizer supplies adequate. Currently, less than three-fourths of the available production capacity for anhydrous ammonia is being used and only 70 to 75 percent of the capacity for wet-process phosphoric acid. U.S. and Canadian production capacities for potash are being used at about 60 percent.

Fertilizer production dropped sharply last season in response to reduced domestic and export demand. Demand prospects early in 1982 indicated fertilizer consumption would, at best, equal a year earlier. However, the fertilizer market continued to deteriorate, and production was lowered likewise.

Anhydrous ammonia production decreased about 10 percent to 17.7 million tons in 1981/82. Output of urea and solid ammonium nitrate were also down, with urea falling the most—13 percent. Nitrogen-solution production rose 1 percent. Overall, nitrogen fertilizer production failed to recover in the first half of 1982/83 (which began in July 1982), with output generally down about a fourth from a year earlier.

Total output of processed phosphate fertilizers fell 31 percent to 5.6 million tons last season. Ammonium phosphate production declined over 30 percent. Following several consecutive years of record production, the output of wet-process phosphoric acid, at 7.8 million nutrient tons, was down 24 percent. In the first half of 1982/83, production of most phosphate fertilizers was running 3 to 30 percent below a year earlier. The output of diammonium phosphate, however, has increased in order to replenish low inventories and meet domestic and export needs.

U.S. production of potash declined about 10 percent in 1981/82 to 2.2 million nutrient tons, while Canadian production fell about 18 percent to 6.7 million tons. Early in the year, potash production continued at the high 1980/81 pace; however, reduced demand soon pushed inventories to record levels, and production was curtailed to bring supplies in line. In the first half of the current season, combined U.S. and Canadian production has continued below a year earlier in the face of large producer stocks.

In October, producer inventories of phosphate were down 15 percent from their high year-earlier level, while nitrogen inventories were up about 5 percent. In December, combined U.S. and Canadian inventories of potash were about 10 percent larger than a year earlier.

**Little Change in Trade Expected**  
Many of the factors that reduced fertilizer trade in 1981/82—the strong U.S. dollar, relatively high interest rates, and weak economic activity—will continue to depress exports this season. Meanwhile, the strong dollar will encourage imports, especially of the competitively priced anhydrous ammonia.

Nitrogen exports could be bolstered somewhat by an expected recovery in shipments of diammonium phosphate. With this, overall nitrogen exports in 1982/83 are forecast to range from 2.5 to 2.7 million tons, compared with 2.5 million last year. However, countries with low-cost gas can produce ammonia cheaper than in the United States. As a result, nitrogen imports could increase their share of the domestic market, although actual quantities imported may not rise.

U.S. exports of phosphate fertilizer have been running 5 percent behind year-earlier levels so far this season. Unless exports pick up with economic recovery in coming months, they may not match the 3.6 million tons of 1981/82. Although some improvement in the world economy would aid U.S. exports, buyers of phosphate fertilizer may be slow to respond.

For potash, imports are expected to fall—totaling 4.2 to 4.4 million tons—as domestic consumption declines.  
[Paul Andrienas (202) 447-7340]

## Upcoming Crop Reporting Board Releases

The following list gives the release dates of the major Crop Reporting Board reports that will be issued by the time the March *Agricultural Outlook* comes off press.

### February

- 22 Cold Storage
- 23 Eggs, Chickens, & Turkeys
- 25 Livestock Slaughter
- 28 Agricultural Prices

### March

- 3 Egg Products
- Poultry Slaughter
- 4 Vegetables
- Dairy Products
- 10 Crop Production
- 11 Peanut Stocks & Processing
- 14 Potato Stocks
- Cattle on Feed
- 15 Milk Production
- 21 Hogs & Pigs
- Cold Storage

Reports available through subscription only. For subscription information, write or call: Jerry Clampet, SRS-Crop Reporting Board, Rm. 5809-South Bldg., Washington, D.C. 20250 (202) 447-2130.



## Agricultural Policy

### COMMODITY PROGRAM UPDATE

#### Payment-In-Kind Program Announced

On January 11, the Administration announced details of the payment-in-kind (PIK) program, which will be available for the 1983 crops of wheat, corn, grain sorghum, upland cotton, and rice. The PIK program is similar to paid land diversion, but instead of being paid in cash to remove land from production, participants will be paid in the commodity they remove from production. For example, farmers with wheat acreage bases will be paid in wheat.

Producers must participate in the previously announced acreage-reduction and paid-diversion programs to be eligible for the PIK program. However, farmers do not have to participate in the PIK to be eligible for payments, loans, and the farmer-owned reserve program.

There are two ways to participate in the PIK program. First, producers will be able to remove an additional 10 to 30 percent of their acreage base from production. As compensation, producers will receive in-kind payments on their PIK acres equal to a percentage of their farm-program yield—95 percent for wheat and 80 percent for corn,

sorghum, cotton, and rice. For example, corn producers who fully participate in this PIK option will divide their acreage bases into 10-percent in acreage reduction, 10-percent in paid land diversion, and 30-percent in PIK, with the remaining 50 percent eligible for production. The PIK payment for these producers would be in an amount of corn equal to 80 percent times their farm-program yield times the number of PIK acres.

Under the second option, producers when they sign up may submit a sealed bid to remove their entire base from production. The bid will be based on the percentage of yield the producer needs to take such action. No bid over 95 percent for wheat and 80 percent for the remaining PIK commodities will be accepted.

On March 18, the Agricultural Stabilization and Conservation Service (ASCS) committee in each county will hold a public meeting. At that time, the committee will indicate whether more acreage within that particular county should be removed from production. (At no time may more than 50 percent of a county's base acreage of a particular commodity be removed from production through these programs.) If the county committee chooses to remove additional acreage, the submitted bids will be opened and arranged from lowest to highest. The committee will then accept the lowest bid and work its way down the list until the needed acreage is obtained. In any case, the Commodity Credit Corporation (CCC) may reject any or all bids.

Producers whose bids are accepted will be able to take their entire base out of production and receive PIK compensation. For example, corn producers would receive diversion payments on 10 percent of their base and PIK payments, set at the percentage of yield the farmer bid, on the remaining 90 percent.

Producers may sign up for either or both options. The signup period for PIK started on January 24 and will continue through March 11. (The last day to sign up for the acreage-reduction programs has been advanced from March 31 to March 11.)

Producers will not be able to take title to PIK payments until the beginning of the normal harvest season for each commodity. The PIK availability date will vary from area to area. Once producers take title to PIK commodities, they can use them as they please, except in Government programs.

Producers entering the program with outstanding reserve or regular price-support loans must take their commodities under that loan as PIK payment. The CCC will only liquidate that portion of the producer's loan needed to satisfy that producer's PIK payments. There will be no priority for liquidating grain loans, but upland cotton producers must offer their oldest cotton loans first. Producers receiving such PIK payments will not have to pay accumulated interest on the liquidated loan. (If a loan should mature before the PIK availability date, it will be extended and the CCC will pay for storage.) Producers who do not hold CCC loans or who do not have enough of the commodity under loan will receive PIK payments from CCC stocks. However, if there are not sufficient CCC stocks to make these payments, these producers may have to obtain a regular 1983 loan to use for PIK payments.

In all cases, producers will be eligible to receive up to 5 months of storage payments from the time of the PIK availability date. The annual storage rate is 26.5 cents a bushel for wheat, corn, and sorghum; 85 cents per cwt for rice; and the approved rate charged by the warehouse where cotton is stored. The actual storage payments will depend on when the producers take title to PIK commodities. For example, if producers take title one month after the availability date they will receive a storage payment of one



month. Producers receiving PIK grain from the farmer-owned reserve stored on the farm will be eligible for storage payments for an additional 7 months, less any unearned storage, regardless of when they take title to the grain.

Producers receiving PIK compensation from CCC-owned stocks will be asked to designate a warehouse within their county or an adjacent county. The CCC will take action, including trading grain receipts between elevators, to try to ensure that adequate Government stocks are located where requested. If the request cannot be fulfilled, the grain will be located in another warehouse within the same county or an adjacent one, or, as a last option, in the nearest warehouse on line to a sub-terminal or terminal facility.

Acres removed from production will have to be devoted to approved conservation uses (see the following rice program description for qualifying details). Such acreage must be protected from erosion. No mechanical harvesting will be allowed, and no grazing will be permitted during the 6 principal growing months. Winter wheat producers will be allowed to graze or hay their acreage as long as the wheat was planted before January 12 and is destroyed by a date designated by each local ASCS committee. Only those summer fallow acres that were to be planted will be eligible for conservation acreage under the PIK program.

The Federal Crop Insurance Corporation will increase yield guarantees without raising the premium rates of insured producers participating in PIK. Participation by an additional 10 percent but less than 20 percent increases the yield guarantee 6 percent; participation by 20 percent but less than 30 percent raises the yield guarantee 8 percent; and 30-percent participation increases the yield guarantee 10 percent.

### 1983 Rice Program

On January 4, Secretary Block announced provisions for the 1983 rice program. The target price for 1983 rice will be \$11.40 per cwt, up from \$10.85 for the 1982 crop, while the loan rate will stay at \$8.14 per cwt. In addition, the 1983 rice program features a combined 15-percent acreage reduction and 5-percent paid land diversion. Producers must participate in both features of the program to be eligible for payments, loans, and the PIK program. Each farm's acreage base for 1983 will be the same as that for 1982, with adjustments for crop rotation to control red rice. There will be no cross or offsetting compliance.

The acreage taken out of production must be devoted to approved conservation uses. Land eligible for conservation use must have been devoted to row crops or small grains in 2 of the last 3 years. Land designated for conservation use under the 1982 rice program, and on which permanent conservation practices were employed, will be regarded as having been cropped. If the permanent practice is maintained, the acreage can be designated for conservation use through the 1985 crop year. Grazing will be allowed outside of the 6 principal growing months. However, no haying will be permitted.

Producers will be eligible to receive half of their diversion and deficiency payments in advance. The diversion payment rate is \$2.70 per cwt (advance equal to \$1.35/cwt), and the projected deficiency payment rate is \$3.26 per cwt (advance equal to \$1.63/cwt). Producers who receive advance payments and then do not comply with program provisions will have to refund the advances and pay an interest charge equal to 5 percentage points above the interest rate for crop loans at the time of the advance.

### 1983 Grain Reserve Program

There will be no early entry for 1983 reserve programs for wheat and feed grains. Entry will only be allowed after the 9-month regular loan matures. The 1983 loan rate for the reserve will be the same as that for regular loans. In addition, annual storage-payment rates will remain at 26.5 cents a bushel for wheat, corn, sorghum, and barley, and 20 cents for oats. [Richard Rizzi (202) 447-4943]



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## Tapping the Growing OPEC Food Market

As the world's major suppliers of petroleum, the Organization of Petroleum Exporting Countries (OPEC) of North Africa and the Middle East<sup>1</sup> represent a sizable and profitable market for U.S. agricultural products, but one that has not yet been fully exploited by U.S. exporters. Although higher oil revenues since 1973 have fostered a tenfold increase in OPEC's agricultural imports, the U.S. share of these purchases has declined sharply since then.

In 1981, these eight OPEC countries' aggregate imports were valued at about \$106 billion, compared with \$6 billion 10 years earlier. Such growth plainly shows that the region has become fully integrated into the world financial system, advancing from the periphery of world commerce to a vital trading center.

Of this total, agricultural purchases were valued at nearly \$19 billion in 1981, up from only \$2 billion in 1973. Saudi Arabia has become the largest importer in the region, with agricultural purchases of \$6 billion in 1981. Iran and Algeria each imported more than \$3 billion worth in the same year. Only Qatar, with fewer than 300,000 people, imported less than \$1 billion in agricultural products in 1981.

### Higher Oil Prices Have Enabled Larger, More Varied Food Consumption

The first substantial increases in petroleum prices in 1973, which caused such a shock in the industrialized countries, allowed the North Africa and Middle East OPEC countries to institute a system of food price subsidies using imported food. These subsidies encouraged consumption and led to much better diets, while also promoting political stability. These programs, and food imports in general, now use such

a small part of overall revenue, however, that food imports will continue to grow—even with earnings stagnated by a slack world oil market.

For example, although Saudi Arabia's oil production has fallen in half to only 5 million barrels per day since 1980, oil still generates over \$60 billion in annual earnings. Saudi Arabia's total agricultural imports are presently valued at only \$7 billion, and the cost of its food subsidy program only slightly exceeds \$1 billion. Saudi Arabia is also earning nearly \$4 billion a year in interest payments solely from its holdings of U.S. Treasury bills.

Diets are changing in these countries as the people become aware of the wide selection of foods available on the world market. This process is well advanced in Saudi Arabia and the Gulf countries, all of which import large quantities of high-value products<sup>2</sup>. In the other countries, however, consumption patterns are only beginning to change, as even meats, dairy products, and fresh fruit are not yet widely available.

These countries import nearly every type of agricultural product, with the notable exception of pork. Since wheat and rice are the diet staples, grains make up the largest part of these imports. Imports of feed grains have also been increasing rapidly throughout the region as livestock feeding has become more common. Imports of livestock products and cooking oils are also large, totaling \$4.2 billion and over \$800 million, respectively, in 1981. Oilseed meal imports, though small by world standards, have been growing rapidly with the increase in livestock feeding. And these countries have become leading importers of high-value agricultural products, purchasing an estimated \$6 billion in 1981.

Only about half the region's total food supply is from domestic production. Iran, Iraq, and Algeria have large agricultural sectors, but even these countries depend heavily on imports. Although domestic production is projected to increase, this will only slow the flow of imports, which will make up an increasing share of the region's total supply over the decade. Even expected increases in meat production will outpace demand in only a few areas.

### Many Factors Limiting U.S. Sales To the Region

The United States exported nearly \$1.3 billion worth of agricultural products to the region in 1981. Algeria is one of the largest markets for U.S. durum and pulse exports, Iraq for U.S. poultry and eggs, and Saudi Arabia for U.S. meats, wheat flour, rice, beverages, and cigarettes.

Nevertheless, in 1982 the United States had less than 6 percent of this market which totaled over \$21 billion. Although U.S. exports to the area have grown in the last decade, the overall market has grown more quickly. The U.S. share of this market was over 20 percent in 1974. If it had remained at this level, U.S. exports in 1982 would have been almost \$4 billion more than they actually were.

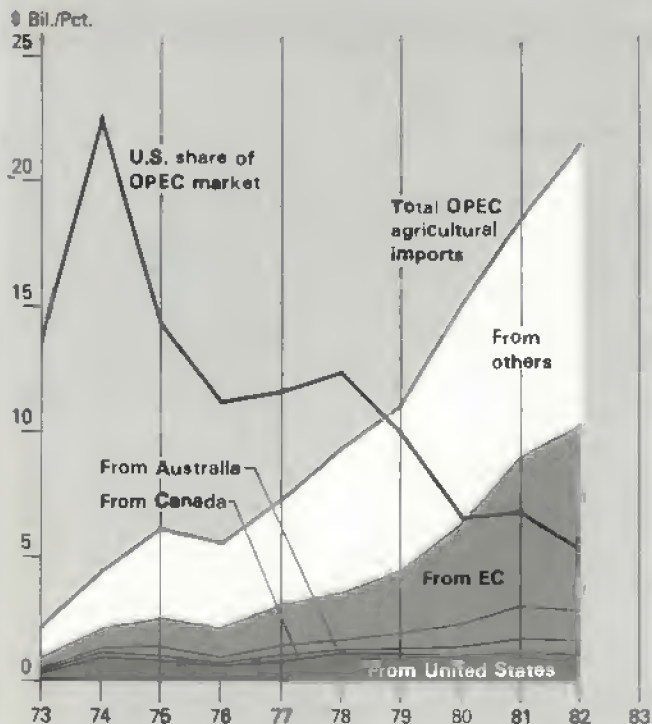
Why have U.S. farm exports to the region not grown more since 1973? The reasons are many. Political troubles, especially in relations with Iran and Libya, have certainly hurt U.S. sales. Also, U.S. exporters lack adequate information

<sup>1</sup>Algeria, Libya, Saudi Arabia, the United Arab Emirates (UAE), Qatar, Kuwait, Iraq, and Iran

<sup>2</sup>Fresh fruits and vegetables as well as highly processed food products.



## As OPEC Food Imports Soar, U.S. Share Declines



on the size of the market and what needs to be done to deal there<sup>3</sup>. Part of the slow growth stems from legislation that penalizes U.S. firms for signing documents appearing to abet the Arab boycott of Israel, which has discouraged the necessary market exploration. U.S. sales to the region have further suffered because importers have become dissatisfied with the quality of some U.S. products. And U.S. products are not always competitively priced.

In addition, the pattern of U.S. farm exports—concentration on a few large markets and a few bulk commodities—may have deflected American exporters from the fast-growing OPEC market. Western Europe, Japan, the USSR, and China account for over half of U.S. agricultural exports. Western Europe is the largest U.S. market, valued at nearly \$12 billion in 1981, of which the European Community (EC) imported nearly \$9 billion. Japan purchased \$6.7 billion worth of U.S. agricultural products that year, and the Soviet Union and China imported \$2.4 billion and \$1.8 billion, respectively. However, Western Europe and Japan are relatively stable markets, while the Soviet Union and China are volatile ones. These markets will help eliminate some of the current U.S. agricultural surplus, but other fast-growing markets—such as North Africa and the Middle East—are also needed.

Also, the United States has stressed the export of only a few commodities. In fiscal year 1981, grains, oilseeds, and their products accounted for over 70 percent of U.S. agricultural exports. The United States clearly dominates world trade in these bulk commodities, but bulk items no longer dominate world trade. Trade in high-value agricultural products has grown to 55 percent of the world total, with

bulk trade making up the rest. This high-value trade continues to increase much more rapidly than bulk trade, and it could be a good growth area for U.S. exports.

### High-Value Imports by the Region Growing Fastest

The North Africa and Middle East OPEC region increased its share of the world's high-value trade from 3 percent in 1970 to over 10 percent in 1980, making it one of the fastest growing markets for these products. Saudi Arabia is now the world's fifth largest importer of high-value products, with 1980 imports valued at nearly \$3 billion. In many of the OPEC countries, these products account for over half the value of their total farm imports. And throughout the region, these high-value imports are growing much faster than imports of bulk items.

The United States has done little to enter this rapidly growing market for high-value products. For some commodities, such as sugar, tea, coffee, or fresh vegetables, the United States is not a logical supplier, even though the demand exists. But the region's imports of fresh fruit—including apples and citrus—are expected to grow, as are imports of tobacco and cigarettes (which constitute large markets for the United States). Canned goods, fruit juices, and even bakery products enjoy large and growing markets in Saudi Arabia and the Gulf countries, and Iraq is expected to become a major importer. Algeria and Iran show large potential for certain canned goods, such as tomato paste. Only for soft drinks are imports by the region expected to decline as local production rises.

### Region's Imports of Other Products Also Forecast Up

- **Grains.** Grains will remain the major agricultural import for all these countries throughout the decade. Imports of wheat and rice are projected to reach 11.2 million and 3.2 million tons, respectively, by 1990. Feed grain imports will grow faster because of the increasing emphasis on domestic livestock feeding. Algeria, Saudi Arabia, Iraq, and Iran may become sizable markets for feed grains if they continue current programs. By 1990, feed grain imports to the region are projected to reach 5.5 million tons of corn, 3.4 million of barley, and nearly 1 million of sorghum.

- **Livestock.** Saudi Arabia is one of the world's top importers of frozen poultry, live sheep, mutton, milk, and cheese. Algeria is a major importer of milk and eggs. Iran imports tremendous amounts of live sheep, butter, and cheese. Even with these large imports, however, consumption is still relatively low by developed-country standards and demand remains high. Thus, imports of livestock and products are expected to continue growing rapidly—especially in Algeria, Libya, Iraq, Iran, and, to a lesser degree, Saudi Arabia. Dairy product imports should see the most rapid growth, with meat imports, especially poultry and beef, close behind.

- **Oilseed products.** Imports of oilseed products, although not of oilseeds, will grow rapidly. Most of the countries import small amounts of oilseed meal, but nowhere near enough for a properly mixed feed ration. As feeding techniques improve and feed imports rise, much more meal will be needed. Algeria, Saudi Arabia, Iraq, and Iran will be major importers by the end of the decade, but they will likely stick with products rather than building up crushing capacity. The region's imports of meal are projected to exceed 3 million tons by 1990, compared with 0.6 million in 1982. (Jim Coyle (202) 447-8458)

<sup>3</sup>ERS will soon release "Food Demand in Eight OPEC Countries," in the FAER series.

# Statistical Indicators

## Summary Data

### Key statistical indicators of the food and fiber sector

	1981	1982					1983		
	Annual	I	II	III	IV F	Annual F	I F	II F	Annual F
<b>Prices received by farmers (1977=100)</b>	138	133	137	135	128	133	130	133	134
Livestock and products	143	141	149	147	140	144	144	147	148
Crops	134	123	124	123	115	122	116	118	120
<b>Prices paid by farmers, (1977=100)</b>									
prod. items	148	149	150	150	149	149	153	156	156
Commodities and services, int., taxes, and wages	150	153	155	157	156	156	160	162	163
<b>Cash receipts<sup>1</sup> (\$ bil.)*</b>	143	143	144	143	145	144	135-139	137-141	—
Livestock (\$ bil.)	69	67	70	70	69	69	68-72	69-73	—
Crops (\$ bil.)	75	76	74	73	76	75	65-69	66-70	—
Net farm income (after inventory adj.)	25.1	—	—	—	—	20.4	—	—	16-20
Net cash income	31.5	—	—	—	—	31.7	—	—	30-34
<b>Market basket (1967=100)</b>									
Retail cost	257.1	263.7	267.3	269.1	265.6	266.4	271	275	275-283
Farm value	246.4	243.4	257.9	254.7	239.0	248.8	255	256	254-261
Spread	263.4	275.7	272.9	277.5	281.2	276.8	281	287	287-295
Farm value/retail cost (%)	35	34	36	35	33	35	35	34	34-35
<b>Retail prices (1967=100)</b>									
Food	274.6	282.4	285.7	287.8	286.6	285.7	291	294	295-303
At home	269.9	276.8	280.1	281.4	278.5	279.2	284	286	288-297
Away-from home	291.0	301.1	304.8	308.7	311.6	306.5	315	318	319-325
<b>Agricultural exports (\$ bil.)<sup>2</sup></b>	43.8	10.5	10.0	7.3	8.9	39.1	10.0	9.5	37.5
<b>Agricultural imports (\$ bil.)<sup>2</sup></b>	17.2	3.6	3.9	3.8	4.1	15.4	3.7	3.9	15.5
<b>Livestock and products</b>									
Total livestock and products (1974=100)	112.3	108.8	112.1	112.2	112.7	111.5	110.4	114.3	112.0
Beef (mil. lb.)	22,214	5,449	5,363	5,728	5,817	22,357	5,800	5,575	22,750
Pork (mil. lb.)	15,716	3,695	3,550	3,239	3,639	14,123	3,350	3,450	13,400
Veal (mil. lb.)	415	107	99	107	110	423	100	90	385
Lamb and mutton (mil. lb.)	327	90	85	88	93	356	90	80	325
Red meats (mil. lb.)	38,672	9,341	9,097	9,162	9,659	37,259	9,340	9,175	36,860
Broilers (mil. lb.)	11,906	2,888	3,109	3,130	2,930	12,057	2,975	3,200	12,365
Turkeys (mil. lb.)	2,509	410	528	761	760	2,459	430	560	2,510
Total meats and poultry (mil. lb.)	53,087	12,639	12,734	13,053	13,349	51,775	12,750	12,940	51,555
Eggs (mil. dz.) <sup>3</sup>	5,800	1,450	1,451	1,422	1,445	5,767	1,445	1,430	5,725
Milk (bil. lb.)	132.6	33.0	35.5	33.8	32.8	135.2	33.7	36.6	137.4
Choice steers, Omaha (\$/cwt.)	63.84	63.36	70.46	64.19	58.92	64.23	59-63	64-68	64-68
Barrows and gilts, 7 markets (\$/cwt.)	44.45	48.17	56.46	61.99	55.12	55.44	56-58	55-59	55-61
Broilers-wholesale, N.Y., 8-16 lb. hens, dressed (cts./lb.)	46.3	44.6	45.1	44.4	41.5	44.0	40-44	42.46	41-47
Turkeys-wholesale, 9-city weighted avg., dressed (cts./lb.)	60.7	55.2	58.8	65.4	63.7	60.8	52-56	53-57	59-65
Eggs, N.Y. Gr. A large, (cts./dz.) <sup>3</sup>	73.6	78.4	71.8	64.2	68.9	70.8	81-65	63-67	63-68
Milk, all at farm (\$/cwt.)	13.80	13.77	13.23	13.30	13.93	13.56	13.60-13.80	13.15-13.45	13.40-13.75
<b>Crop prices at the farm<sup>4</sup></b>									
Wheat (\$/bu.)	3.65	3.72	3.57	3.33	3.47	3.40-3.50	—	—	—
Corn (\$/bu.)	2.50	2.48	2.57	2.32	2.13	2.20-2.40	—	—	—
Soybeans (\$/bu.)	6.04	6.05	6.19	5.60	5.29	5.25-5.75	—	—	—
Upland cotton (cts./lb.)	54.3	49.5	54.2	54.8	59.4	—	—	—	—

<sup>1</sup> Quarterly cash receipts are seasonally adjusted at annual rates. <sup>2</sup> Annual data are based on Oct.-Sept. fiscal years ending with the indicated year. <sup>3</sup> Marketing year quarters beginning December 1. <sup>4</sup> Quarterly prices are simple averages, annual prices are for marketing year beginning in year indicated. F = Forecast. Numbers may not add to totals due to rounding. \*Seasonally adjusted at annual rates.



## Farm Income

### Cash receipts from farming

	1981		1982											
	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	
Farm marketings and CCC loans <sup>1</sup>	15,560	13,164	14,148	10,185	10,283	11,133	9,999	10,253	11,041	11,261	12,892	14,728	16,944	
Livestock and Products . . . . .	5,726	5,407	5,294	5,167	5,773	8,680	5,939	5,830	5,628	5,907	6,169	5,665	6,189	
Meat animals . . . . .	3,271	3,013	2,970	3,056	3,382	4,150	3,507	3,390	3,259	3,593	3,767	3,207	3,747	
Dairy products . . . . .	1,438	1,527	1,476	1,357	1,554	1,627	1,673	1,592	1,498	1,455	1,427	1,497	1,469	
Poultry and eggs . . . . .	925	790	759	695	764	820	881	767	681	780	805	736	883	
Other . . . . .	92	77	89	59	73	83	78	81	190	79	170	225	90	
Crops . . . . .	9,834	7,757	8,854	5,018	4,510	4,453	4,060	4,423	5,413	5,354	6,723	9,063	10,755	
Food grains . . . . .	852	700	893	633	645	537	527	1,235	1,701	1,494	1,469	1,211	1,225	
Feed crops . . . . .	2,752	2,013	3,393	1,548	1,455	1,263	1,058	1,170	1,130	1,086	1,367	1,830	2,790	
Cotton (lint and seed) . . . . .	1,177	929	1,124	539	177	52	49	21	-15	-26	40	620	1,099	
Tobacco . . . . .	341	691	291	66	2	35	9	0	226	609	744	376	354	
Oil-bearing crops . . . . .	1,896	1,159	1,594	818	790	1,002	755	402	523	384	733	2,684	2,738	
Vegetables and melons . . . . .	587	515	570	472	491	577	743	706	685	757	903	863	535	
Fruits and tree nuts . . . . .	828	767	431	436	328	262	349	500	703	618	835	806	702	
Other . . . . .	1,401	983	558	506	622	725	570	389	460	432	632	673	1,312	
Government Payments . . . . .	149	668	59	507	74	317	23	30	21	34	56	67	974	
Total cash receipts <sup>2</sup>	15,709	13,832	14,207	10,692	10,357	11,450	10,022	10,283	11,062	11,295	12,948	14,795	17,918	

<sup>1</sup> Receipts from loans represent value of loans minus value of redemptions during the month. <sup>2</sup> Cash receipts estimates reported in this issue for 1982 contain revisions due to a more complete accounting for CCC loans repaid, which has the effect of reducing sales.

### Farm production<sup>1</sup>

Item	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982 <sup>2</sup>
1977=100										
<b>Farm output . . . . .</b>	93	88	95	97	100	104	111	103	115	117
All livestock products <sup>3</sup> . . . . .	99	100	95	99	100	100	104	108	108	107
Meat animals . . . . .	102	104	97	100	100	100	103	107	105	102
Dairy products . . . . .	94	94	94	98	100	99	101	105	108	110
Poultry and eggs . . . . .	94	94	92	98	100	106	114	115	119	120
All crops <sup>4</sup> . . . . .	92	84	93	92	100	102	113	101	116	120
Feed grains . . . . .	91	74	91	96	100	108	116	97	121	124
Hay and forage . . . . .	101	96	100	94	100	106	108	98	106	118
Food grains . . . . .	86	91	108	107	100	93	108	121	143	140
Sugar crops . . . . .	95	89	114	112	100	101	94	97	107	95
Cotton . . . . .	91	82	58	74	100	76	102	79	109	84
Tobacco . . . . .	91	104	114	112	100	106	80	93	108	103
Oil crops . . . . .	87	71	86	74	100	105	129	99	114	127
<b>Cropland used for crops . . . . .</b>	93	96	97	98	100	97	100	102	103	102
<b>Crop production per acre . . . . .</b>	99	88	96	94	100	105	113	99	113	118

<sup>1</sup> For historical data and indexes, see *Changes in Farm Production and Efficiency* USDA Statistical Bulletin 657. <sup>2</sup> Preliminary indexes for 1982 based on Jan. 1983 Crop Production report and other releases of the *Crop Reporting Board*, SRS. <sup>3</sup> Gross livestock production includes minor livestock products not included in the separate groups shown. It cannot be added to gross crop production to compute farm output. <sup>4</sup> Gross crop production includes some miscellaneous crops not in the separate groups shown. It cannot be added to gross production to compute farm output.

### Farm marketing indexes (physical volume)

	Annual			1981		1982				
	1979	1980	1981 p	Nov	June	July	Aug	Sept	Oct	Nov
1977=100										
<b>All commodities . . . . .</b>	107	110	112	113	113	116	107	119	109	128
Livestock and products . . . . .	99	101	102	99	105	105	103	106	89	106
Crop . . . . .	114	119	121	122	123	128	112	131	122	142

p = Preliminary. Volume of marketing indexes reported in this issue for 1982 contains revisions due to a more complete accounting for CCC loans repaid, which has the effect of reducing sales.

# Cash receipts<sup>1</sup> from farm marketings, by States, January-November

State	Livestock and Products		Crops <sup>2</sup>		Total <sup>2</sup>	
	1981	1982	1981	1982	1981	1982
	\$Mil.					
<b>North Atlantic</b>						
Maine . . . . .	253.6	243.4	174.6	139.9	428.3	383.4
New Hampshire . . . . .	64.6	66.4	24.4	25.5	89.0	92.0
Vermont . . . . .	333.1	334.9	26.9	28.7	361.8	363.6
Massachusetts . . . . .	124.5	126.7	177.5	145.2	302.0	271.9
Rhode Island . . . . .	12.9	12.4	15.9	14.5	28.8	26.8
Connecticut . . . . .	169.0	173.1	135.6	129.7	304.6	302.8
New York . . . . .	1,720.2	1,706.7	773.0	721.9	2,493.2	2,428.9
New Jersey . . . . .	97.2	96.5	332.3	330.8	429.5	427.4
Pennsylvania . . . . .	1,963.2	1,980.2	686.4	761.6	2,649.6	2,741.8
<b>North Central</b>						
Ohio . . . . .	1,308.9	1,369.7	1,868.4	1,920.1	3,177.2	3,289.9
Indiana . . . . .	1,562.0	1,671.2	2,392.6	2,700.4	3,954.7	4,371.6
Illinois . . . . .	2,046.1	2,210.5	5,035.9	4,985.9	7,082.0	7,196.3
Michigan . . . . .	1,018.9	1,040.5	1,507.8	1,565.4	2,526.7	2,605.9
Wisconsin . . . . .	3,814.3	3,593.0	989.2	992.7	4,803.5	4,585.7
Minnesota . . . . .	3,085.6	3,215.3	3,089.1	3,095.4	6,174.7	6,310.7
Iowa . . . . .	5,206.2	5,614.9	4,532.0	4,303.7	9,738.2	9,918.6
Missouri . . . . .	2,136.5	2,219.0	1,746.8	1,503.1	3,883.3	3,722.1
North Dakota . . . . .	544.8	537.4	1,974.0	2,231.5	2,518.9	2,769.0
South Dakota . . . . .	1,751.9	1,798.6	847.8	989.1	2,599.6	2,787.6
Nebraska . . . . .	3,145.1	3,483.5	2,527.4	2,871.6	5,672.4	6,355.0
Kansas . . . . .	2,994.3	3,108.6	2,110.8	2,340.6	5,105.2	5,449.2
<b>Southern</b>						
Delaware . . . . .	252.5	248.6	115.0	111.4	367.5	360.0
Maryland . . . . .	646.0	644.0	342.5	279.9	988.6	923.9
Virginia . . . . .	850.1	842.1	658.9	674.1	1,509.0	1,516.2
West Virginia . . . . .	152.1	157.4	45.2	51.4	197.3	208.8
North Carolina . . . . .	1,462.3	1,440.2	2,483.9	2,557.7	3,946.2	3,997.9
South Carolina . . . . .	369.8	379.0	665.3	685.6	1,035.2	1,064.6
Georgia . . . . .	1,610.3	1,554.8	1,428.1	1,463.2	3,038.4	3,018.1
Florida . . . . .	950.5	937.0	2,819.6	2,789.3	3,570.1	3,726.4
Kentucky . . . . .	1,291.9	1,307.8	943.5	1,015.6	2,235.4	2,323.3
Tennessee . . . . .	769.1	786.6	781.9	794.5	1,551.0	1,581.1
Alabama . . . . .	1,181.8	1,098.9	849.8	888.8	2,031.5	1,987.7
Mississippi . . . . .	802.9	761.6	1,206.3	1,162.4	2,009.2	1,924.0
Arkansas . . . . .	1,493.4	1,377.8	1,694.9	1,638.6	3,188.3	3,016.4
Louisiana . . . . .	417.2	399.3	1,087.7	1,083.3	1,504.9	1,482.6
Oklahoma . . . . .	1,714.7	1,705.3	947.5	954.8	2,662.2	2,660.1
Texas . . . . .	5,012.0	5,163.0	4,067.0	3,951.8	9,079.0	9,114.8
<b>Western</b>						
Montana . . . . .	577.3	579.8	763.8	914.7	1,341.2	1,494.6
Idaho . . . . .	875.1	893.2	1,169.6	1,206.0	2,044.7	2,099.2
Wyoming . . . . .	432.4	445.4	126.0	104.2	558.3	549.6
Colorado . . . . .	1,855.1	1,962.1	939.4	931.5	2,794.4	2,893.6
New Mexico . . . . .	502.3	503.5	267.5	286.4	769.8	789.9
Arizona . . . . .	685.6	695.9	882.7	849.0	1,568.3	1,544.8
Utah . . . . .	360.7	358.5	129.3	121.1	490.0	479.6
Nevada . . . . .	119.9	125.5	71.2	74.0	191.1	199.4
Washington . . . . .	822.1	820.1	1,822.6	1,851.4	2,644.7	2,671.5
Oregon . . . . .	523.4	521.4	1,050.4	1,096.2	1,573.8	1,617.6
California . . . . .	3,904.7	3,847.9	8,697.2	8,771.2	12,601.9	12,619.1
Alaska . . . . .	4.5	4.6	6.9	7.1	11.4	11.7
Hawaii . . . . .	81.5	79.8	351.0	512.7	432.5	592.5
<b>United States</b>	<b>63,074.1</b>	<b>64,243.4</b>	<b>67,184.8</b>	<b>68,625.6</b>	<b>130,259.0</b>	<b>132,869.0</b>

<sup>1</sup> Estimates as of the first of current month. <sup>2</sup> Sales of farm products include receipts from loans reported minus value of redemptions during the period. Rounded data may not add.



# Farm Prices: Received and Paid

Indexes of prices received and paid by farmers, U.S. average

	Annual			1982						1983
	1980	1981	1982 p	Jan	Aug	Sept	Oct	Nov	Dec	Jan p
1977=100										
<b>Prices Received</b>										
All farm products . . . . .	134	139	133	132	133	135	128	128	127	128
All crops . . . . .	125	134	121	126	117	124	114	117	114	113
Food grains . . . . .	165	166	146	157	137	139	141	143	145	146
Feed grains and hay . . . . .	132	141	120	126	115	109	104	109	115	118
Feed grains . . . . .	135	145	120	128	115	109	101	108	114	117
Cotton . . . . .	114	111	91	83	87	92	99	99	95	94
Tobacco . . . . .	125	140	154	152	157	161	158	159	159	157
Oil-bearing crops . . . . .	102	110	88	93	86	80	78	83	84	85
Fruit . . . . .	124	131	177	142	186	294	195	181	148	133
Fresh market <sup>1</sup> . . . . .	128	133	188	145	200	332	211	194	153	136
Commercial vegetables . . . . .	113	136	127	182	106	101	104	124	116	110
Fresh market . . . . .	110	135	121	191	96	86	93	118	110	101
Potatoes <sup>2</sup> . . . . .	129	177	125	125	135	103	92	93	90	88
Livestock and products . . . . .	144	143	144	137	147	146	142	140	139	142
Meat animals . . . . .	156	150	155	140	163	158	151	146	147	152
Dairy products . . . . .	135	142	140	143	136	139	142	144	143	143
Poultry and eggs . . . . .	112	116	110	114	104	111	109	107	102	101
<b>Prices paid</b>										
Commodities and services . . . . .										
Interest, taxes, and wage rates . . . . .	138	150	156	154	156	156	155	156	156	157
Production items . . . . .	138	148	149	147	151	150	149	149	148	150
Feed . . . . .	123	134	122	125	120	117	114	116	119	120
Feeder livestock . . . . .	177	184	164	152	171	166	165	161	158	165
Seed . . . . .	118	138	141	144	140	141	141	141	141	141
Fertilizer . . . . .	134	144	144	143	146	146	141	141	139	139
Agricultural chemicals . . . . .	102	111	119	113	121	121	121	121	121	121
Fuels & energy . . . . .	188	213	211	217	213	213	212	213	209	208
Farm & motor supplies . . . . .	134	147	153	151	154	154	154	154	154	154
Autos & trucks . . . . .	123	143	159	156	160	160	160	165	167	167
Tractors & self-propelled machinery . . . . .	136	152	165	159	167	168	168	168	168	168
Other machinery . . . . .	132	146	160	152	162	165	165	165	165	165
Building & fencing . . . . .	128	134	135	135	136	136	136	136	136	136
Farm services & cash rent . . . . .	127	137	143	143	147	147	147	143	143	148
Interest payable per acre on farm real estate debt . . . . .	168	195	233	233	218	218	218	233	233	236
Taxes payable per acre on farm real estate . . . . .	117	124	131	131	132	132	132	131	131	140
Wage rates (seasonally adjusted) . . . . .	127	136	141	141	136	136	136	141	141	145
Production items, interest, taxes, and wage rates . . . . .	139	150	154	153	154	154	153	154	153	156
Prices received (1910-14=100) . . . . .	614	633	609	602	609	620	586	589	581	585
Prices paid, etc. (Parity Index) (1910-14=100) . . . . .	950	1,031	1,071	1,056	1,078	1,075	1,071	1,075	1,073	1,083
Parity ratio <sup>3</sup> . . . . .	65	61	57	57	56	58	55	55	54	54

<sup>1</sup> Fresh market for noncitrus and fresh market and processing for citrus. <sup>2</sup> Includes sweetpotatoes and dry edible beans. <sup>3</sup> Ratio of index of prices received to index of prices paid, taxes, and wage rates. (1910-14=100). p = preliminary.

# Prices received by farmers, U.S. average

	Annual*			1982						1983
	1980	1981	1982 p	Jan	Aug	Sept	Oct	Nov	Dec	Jan p
<b>Crops</b>										
All wheat (\$/bu.)	3.88	3.88	3.52	3.78	3.34	3.38	3.43	3.48	3.51	3.54
Rice, rough (\$/cwt.)	11.07	11.94	8.33	9.34	7.19	7.60	7.63	7.78	8.06	8.09
Corn (\$/bu.)	2.70	2.92	2.37	2.54	2.30	2.15	1.98	2.13	2.26	2.32
Sorghum (\$/cwt.)	4.67	4.72	4.00	4.09	3.95	3.80	3.70	3.78	3.97	4.14
All hay, baled (\$/ton)	67.00	67.70	69.10	67.90	65.00	64.80	67.60	68.10	68.80	70.10
Soybeans (\$/bu.)	6.75	6.92	5.78	6.13	5.59	5.22	5.07	5.34	5.46	5.56
Cotton, Upland (cts./lb.)	69.0	67.1	55.3	50.3	52.1	54.9	59.8	59.9	57.3	56.6
Potatoes (\$/cwt.)	4.78	6.95	5.10	4.71	5.72	4.27	3.79	3.82	3.67	3.61
Dry edible beans (\$/cwt.)	24.80	28.60	16.80	20.60	16.60	14.50	13.90	14.20	13.10	12.20
Apples for fresh use (cts./lb.)	16.2	13.5	15.9	15.6	13.3	17.5	15.1	14.4	13.7	11.8
Pears for fresh use (\$/ton)	325	264	235	250	243	197	232	298	330	298
Oranges, all uses (\$/box) <sup>1</sup>	3.26	3.78	7.44	4.65	8.54	17.47	9.24	7.43	4.68	4.71
Grapefruit, all uses (\$/box) <sup>1</sup>	2.73	3.68	2.20	2.13	2.22	2.84	2.65	1.89	1.88	1.64
<b>Livestock</b>										
Beef cattle (\$/cwt.)	62.50	58.50	56.90	53.60	58.10	55.50	53.70	52.60	52.50	54.70
Calves (\$/cwt.)	77.50	64.50	60.30	57.10	61.90	59.10	58.30	58.20	58.90	62.40
Hogs (\$/cwt.)	38.80	43.40	54.10	43.40	61.30	61.40	55.90	52.50	53.60	54.90
Lambs (\$/cwt.)	63.50	55.40	54.50	50.40	52.90	50.90	49.10	47.70	50.90	53.30
All milk, sold to plants (\$/cwt.)	13.10	13.80	13.60	13.90	13.20	13.50	13.80	14.00	13.90	13.90
Milk, manuf. grade (\$/cwt.)	12.00	12.75	13.55	13.00	12.30	12.60	12.90	13.00	13.00	12.90
Broilers (cts./lb.)	27.7	28.0	26.6	27.1	26.3	27.1	25.1	24.5	24.3	25.8
Eggs (cts./doz.) <sup>2</sup>	56.7	62.2	58.4	63.5	50.7	56.8	58.1	57.0	55.4	52.6
Turkeys (cts./lb.)	40.0	38.5	37.2	32.6	40.1	41.8	42.7	42.8	33.3	31.9
Wool (cts./lb.) <sup>3</sup>	88.1	91.1	74.1	80.4	68.3	66.7	59.2	61.6	57.1	53.2

<sup>1</sup> Equivalent on-tree returns. <sup>2</sup> Average of all eggs sold by farmers including hatching eggs and eggs sold at retail. <sup>3</sup> Average local market price, excluding incentive payments. \*Calendar year averages. p = preliminary.

## Producer and Consumer Prices

### Consumer Price Index for all urban consumers, U.S. average (not seasonally adjusted)

	Annual	1982									
	1982	Dec	May	June	July	Aug	Sept	Oct	Nov	Dec	
1967=100											
Consumer price index, all items	289.1	281.5	287.1	290.6	292.2	292.8	293.3	294.1	293.6	292.4	
Consumer price index, less food	288.4	280.8	286.0	289.7	291.5	292.5	292.9	294.0	293.6	292.1	
All food	285.7	277.8	285.5	287.8	288.5	287.4	287.6	287.0	286.4	286.5	
Food away from home	306.5	297.7	304.8	305.9	307.6	308.7	309.8	310.7	311.4	312.6	
Food at home	279.2	271.7	279.8	282.6	282.8	280.8	280.6	279.4	278.3	277.8	
Meats <sup>1</sup>	270.3	258.7	269.7	277.2	278.8	276.5	278.4	274.9	273.6	271.1	
Beef and veal	276.5	270.5	281.1	288.2	286.7	280.5	279.1	272.2	272.0	270.2	
Pork	258.1	234.3	249.9	259.5	265.4	268.2	277.1	277.9	274.2	270.1	
Poultry	195.1	191.7	196.0	197.5	199.6	196.2	196.2	195.4	192.0	190.4	
Fish	370.6	359.6	366.3	365.2	370.2	367.6	369.4	367.1	366.6	369.6	
Eggs	178.7	198.0	172.3	162.5	173.6	161.2	175.2	175.8	175.0	172.5	
Dairy products <sup>2</sup>	247.0	245.5	247.0	246.3	247.5	247.5	247.0	247.1	247.4	247.8	
Fats and oils <sup>3</sup>	259.6	261.1	260.6	260.7	259.3	258.3	258.4	258.4	258.6	258.6	
Fruits and vegetables	291.4	276.4	297.9	305.6	299.7	291.4	284.1	280.7	276.1	277.6	
Fresh	298.6	274.9	311.7	325.9	313.8	296.9	283.5	277.4	268.3	272.3	
Processed	286.0	280.6	285.4	285.9	288.8	288.0	287.4	286.8	287.3	286.0	
Cereals and bakery products	283.4	277.7	283.3	283.6	284.3	284.8	284.6	285.0	285.5	286.3	
Sugar and sweets	367.5	359.3	365.7	366.8	369.5	370.1	371.2	370.6	370.3	369.2	
Beverages, nonalcoholic	424.2	412.5	425.6	424.8	422.8	423.8	424.2	427.5	426.2	424.3	
Apparel commodities less footwear	177.0	176.6	176.7	175.6	174.0	176.9	180.4	180.9	180.6	178.4	
Footwear	205.5	205.7	206.5	206.6	206.4	204.4	206.2	206.8	206.9	205.9	
Tobacco products	243.5	226.8	237.4	237.8	239.2	240.1	246.8	257.3	264.0	272.3	
Beverages, alcoholic	208.5	202.7	208.0	208.4	209.2	210.1	210.1	210.6	210.9	210.9	

<sup>1</sup> Beef, veal, lamb, pork, and processed meat. <sup>2</sup> Includes butter. <sup>3</sup> Excludes butter.



# Producer Price Indexes, U.S. average (not seasonally adjusted)

	Annual			1981	1982					
	1979	1980	1981	Dec	July	Aug	Sept	Oct	Nov	Dec
	1967=100									
<b>Finished goods<sup>1</sup></b>	216.1	247.0	269.8	275.4	281.7	282.3	281.4	284.1	284.9	285.1
Consumer foods	226.3	239.5	253.6	252.9	260.6	259.7	259.9	257.8	257.6	258.2
Fresh fruit	232.6	237.6	228.9	265.8	215.4	247.6	237.9	224.5	233.4	234.2
Fresh and dried vegetables	201.0	219.0	278.0	270.8	237.3	208.9	185.3	199.7	210.7	238.2
Eggs	176.5	171.0	187.1	195.5	171.7	171.7	173.3	177.9	172.5	170.0
Bakery products	221.7	247.8	268.2	272.8	276.0	276.2	276.4	276.1	279.0	280.1
Meats	240.6	235.9	239.0	229.6	260.9	256.2	258.8	247.6	241.7	239.4
Beef and veal	252.2	260.2	246.8	231.3	253.7	244.7	241.0	228.2	226.7	224.5
Pork	205.0	196.7	218.1	211.0	264.3	265.7	278.4	265.2	251.5	252.6
Poultry	188.6	193.3	193.3	167.8	188.1	182.1	182.3	177.0	176.6	171.5
Fish	383.8	370.9	377.8	382.9	413.2	420.6	435.2	444.5	436.9	446.4
Dairy products	211.2	230.6	245.6	247.2	248.8	249.0	249.3	250.0	250.2	250.8
Processed fruits and vegetables	221.9	228.7	261.2	271.8	275.9	274.9	273.2	273.7	273.1	273.0
Vegetable oil and products	223.5	233.2	238.0	237.0	238.9	235.9	233.4	232.0	231.5	229.1
Consumer finished goods less foods	208.2	250.8	276.5	283.2	288.8	290.2	289.1	293.3	294.6	294.3
Beverages, alcoholic	161.4	175.8	189.5	193.0	197.8	198.6	199.1	199.2	200.0	199.6
Soft drinks	227.1	261.0	305.1	313.1	319.4	320.6	318.6	321.6	321.9	320.7
Apparel	160.4	172.4	186.0	191.0	193.1	193.5	193.5	193.5	193.8	191.7
Footwear	218.0	233.1	240.9	240.1	241.7	247.3	248.2	249.2	249.1	248.2
Tobacco products	217.7	245.7	268.3	278.2	311.3	311.3	328.8	366.0	365.1	383.5
<b>Intermediate materials<sup>2</sup></b>	242.8	280.3	306.0	309.4	311.1	310.8	310.7	310.0	310.1	310.2
Materials for food manufacturing	223.6	264.4	260.4	245.6	259.7	258.0	257.6	254.7	251.4	250.1
Flour	172.0	187.6	191.9	183.7	183.0	178.1	180.1	178.6	179.8	180.8
Refined sugar <sup>3</sup>	119.3	212.9	171.8	142.1	165.2	169.9	169.7	167.4	167.1	167.2
Crude vegetable oils	243.7	202.8	185.4	167.0	168.0	158.3	149.4	162.1	150.6	144.9
<b>Crude materials<sup>4</sup></b>	282.2	304.8	329.0	311.5	323.4	319.8	316.3	312.2	313.4	312.6
Foodstuffs and feedstuffs	247.2	259.2	257.4	233.7	255.5	249.6	242.9	236.3	236.3	237.0
Fruits and vegetables <sup>5</sup>	299.0	238.6	267.3	280.5	238.4	237.7	220.3	222.3	232.5	248.1
Grains	214.8	239.0	248.4	213.6	212.8	197.2	187.3	163.2	198.6	202.3
Livestock	260.3	252.7	248.0	225.0	270.3	268.4	259.0	248.5	239.1	237.2
Poultry, live	194.3	202.1	201.2	171.4	212.5	189.3	196.5	177.1	181.6	177.8
Fibers, plant and animal	209.9	271.1	242.0	188.4	220.8	207.5	196.8	198.1	195.3	200.6
Milk	250.1	271.2	287.4	286.7	279.0	278.8	281.9	285.0	285.9	285.5
Oilseeds	245.5	249.2	277.6	219.9	224.0	224.1	200.1	193.3	206.8	206.5
Coffee, green	416.2	430.3	330.1	329.0	319.6	308.9	304.8	304.8	297.9	299.7
Tobacco, leaf	207.7	222.2	246.9	265.6	253.1	275.9	282.9	277.5	279.8	n.a.
Sugar, raw cane	209.8	413.0	272.7	230.1	314.5	323.0	297.2	292.2	296.7	297.8
<b>All commodities</b>	235.6	268.6	293.4	295.8	300.4	300.2	299.5	299.9	300.4	300.6
<b>Industrial commodities</b>	236.5	274.8	304.1	310.0	312.8	313.2	312.9	314.4	315.1	315.0
<b>All foods<sup>6</sup></b>	266.3	244.5	251.9	247.6	256.8	255.9	255.4	252.9	252.1	252.7
Farm products and processed foods and feeds	229.8	244.7	251.5	241.0	252.4	249.6	247.5	243.9	244.0	244.8
Farm products	241.4	249.4	254.9	234.6	246.6	240.8	234.4	229.1	230.6	232.5
Processed foods and feeds	222.5	241.2	248.7	243.6	254.6	253.5	253.6	251.0	250.4	250.6
Cereal and bakery products	210.3	236.0	255.5	255.1	253.6	252.7	254.1	253.0	254.6	256.6
Sugar and confectionery	214.7	322.5	275.9	247.6	275.7	285.5	279.1	276.7	281.1	280.8
Beverages	210.7	233.0	248.0	251.9	256.9	258.0	256.8	258.4	258.9	259.0

<sup>1</sup> Commodities ready for sale to ultimate consumer. <sup>2</sup> Commodities requiring further processing to become finished goods. <sup>3</sup> For use in food manufacturing. <sup>4</sup> Products entering market for the first time which have not been manufactured at that point. <sup>5</sup> Fresh and dried. <sup>6</sup> Includes all raw, intermediate, and processed foods (excludes soft drinks, alcoholic beverages, and manufactured animal feeds).

Note: Annual historical data on consumer and producer food price indexes may be found in *Food Consumption, Prices and Expenditures*, Statistical Bulletin 672, ERS, USDA.

# Farm-Retail Price Spreads

## Market basket of farm foods

	Annual			1981		1982				
	1980	1981	1982 p	Dec	July	Aug	Sept	Oct	Nov	Dec
<b>Market basket<sup>1</sup>:</b>										
Retail cost (1967=100) . . . . .	238.8	257.1	266.4	259.1	270.7	268.4	268.0	266.6	265.3	264.8
Farm value (1967=100) . . . . .	239.6	246.0	248.8	236.2	260.1	250.0	254.1	242.9	238.7	235.3
Farm-retail spread (1967=100) . . .	238.3	263.4	276.8	272.4	276.9	279.3	276.2	280.5	280.9	282.2
Farm value/retail cost (%) . . . . .	37.2	35.5	34.6	33.6	35.6	34.5	35.0	33.7	33.3	32.9
<b>Meat products:</b>										
Retail cost (1967=100) . . . . .	248.8	257.8	270.3	258.7	278.8	276.5	278.4	274.9	276.3	291.1
Farm value (1967=100) . . . . .	234.0	235.5	251.3	221.2	268.8	262.4	264.5	246.7	239.5	237.4
Farm-retail spread (1967=100) . . .	266.1	284.0	292.5	302.6	290.5	293.0	294.7	308.0	313.6	310.6
Farm value/retail cost (%) . . . . .	50.7	49.3	50.2	46.1	52.0	51.2	51.2	48.4	47.2	47.2
<b>Dairy products:</b>										
Retail cost (1967=100) . . . . .	227.4	243.6	247.0	245.5	247.5	247.5	247.0	247.1	247.4	247.8
Farm value (1967=100) . . . . .	251.1	265.9	261.8	265.3	259.2	260.8	260.8	265.0	264.0	262.1
Farm-retail spread (1967=100) . . .	206.6	224.1	234.0	228.2	237.3	235.8	233.7	231.4	232.4	235.2
Farm value/retail cost (%) . . . . .	51.6	51.0	49.6	50.5	49.0	49.3	49.7	50.1	50.0	49.5
<b>Poultry:</b>										
Retail cost (1967=100) . . . . .	190.8	198.6	194.9	191.7	199.6	196.2	196.2	195.4	192.0	190.4
Farm value (1967=100) . . . . .	211.9	210.2	200.5	183.0	215.3	202.8	209.6	199.9	196.6	182.2
Farm-retail spread (1967=100) . . .	170.3	187.4	189.5	200.1	184.5	189.8	183.2	191.0	187.6	198.9
Farm value/retail cost (%) . . . . .	54.6	52.0	50.6	46.9	53.0	50.8	52.5	50.3	50.3	47.1
<b>Eggs:</b>										
Retail cost (1967=100) . . . . .	169.7	183.8	178.7	198.0	173.6	161.2	175.2	175.8	175.0	172.5
Farm value (1967=100) . . . . .	184.3	206.5	189.5	219.5	177.1	158.3	183.7	188.9	185.4	176.7
Farm-retail spread (1967=100) . . .	148.6	150.9	163.2	168.9	168.5	165.4	162.9	156.8	159.9	166.4
Farm value/retail cost (%) . . . . .	64.2	66.4	62.7	65.5	60.3	58.0	62.0	63.5	62.6	60.6
<b>Cereal and bakery products:</b>										
Retail cost (1967=100) . . . . .	246.4	271.1	283.4	277.1	284.3	284.8	284.6	258.0	285.5	286.3
Farm value (1967=100) . . . . .	221.4	217.5	197.5	200.9	195.0	191.6	191.3	191.1	192.0	194.0
Farm-retail spread (1967=100) . . .	251.6	282.2	301.2	293.6	302.8	304.1	303.9	304.4	304.8	305.0
Farm value/retail cost (%) . . . . .	15.4	13.6	12.0	12.4	11.8	11.5	11.5	11.5	11.5	11.6
<b>Fresh fruits:</b>										
Retail cost (1967=100) . . . . .	271.8	286.1	323.2	275.9	351.4	357.4	348.1	336.1	300.5	283.1
Farm value (1967=100) . . . . .	245.0	251.0	327.2	232.1	404.9	288.8	351.2	294.3	252.8	213.1
Farm-retail spread (1967=100) . . .	283.8	301.8	321.4	250.7	327.4	388.2	346.7	354.8	321.9	314.5
Farm value/retail cost (%) . . . . .	27.9	27.2	31.4	37.3	35.7	25.0	31.3	27.1	26.1	23.3
<b>Fresh vegetables:</b>										
Retail cost (1967=100) . . . . .	242.2	287.4	288.9	279.8	296.4	260.2	241.0	240.2	249.1	270.8
Farm value (1967=100) . . . . .	216.1	280.4	275.3	243.9	299.7	265.7	214.4	215.6	231.1	249.0
Farm-retail spread (1967=100) . . .	254.5	290.7	295.2	296.7	294.9	257.6	253.5	251.6	257.6	281.0
Farm value/retail cost (%) . . . . .	28.5	31.2	30.5	27.9	32.3	32.6	28.5	28.7	29.7	29.4
<b>Processed fruits and vegetables:</b>										
Retail cost (1967=100) . . . . .	242.5	271.5	285.9	280.6	286.8	288.0	287.4	268.8	287.3	286.0
Farm value (1967=100) . . . . .	243.5	290.6	272.7	294.6	272.9	271.3	267.9	266.6	264.0	262.2
Farm-retail spread (1967=100) . . .	242.2	267.3	288.8	277.5	289.0	291.7	291.7	291.3	292.5	291.3
Farm value/retail cost (%) . . . . .	18.2	19.4	—	19.0	17.2	17.1	16.9	16.6	16.6	16.6
<b>Fats and oils:</b>										
Retail cost (1967=100) . . . . .	241.2	267.1	259.9	261.1	259.3	258.3	258.4	258.4	258.6	258.6
Farm value (1967=100) . . . . .	250.3	262.4	207.8	213.0	225.8	209.5	193.6	198.7	195.4	187.8
Farm-retail spread (1967=100) . . .	237.7	268.9	279.9	279.6	272.2	277.1	283.3	284.8	282.8	285.8
Farm value/retail cost (%) . . . . .	28.8	27.3	22.2	22.7	24.2	22.5	20.8	20.4	21.0	20.2

<sup>1</sup> Retail costs are based on indexes of retail prices for domestically produced farm foods from the CPI-U published monthly by the Bureau of Labor Statistics. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods.

Note: Annual historical data on farm-retail price spreads may be found in *Food Consumption, Prices and Expenditures*, Statistical Bulletin 672, ERS, USDA.



## Farm-retail price spreads

	Annual			1981	1982					
	1980	1981	1982	Dec	July	Aug	Sept	Oct	Nov	Dec
<b>Beef, Choice:</b>										
Retail price <sup>1</sup> (cts./lb.)	237.6	238.7	242.5	238.0	251.8	246.9	246.1	238.7	237.1	235.7
Net carcass value <sup>2</sup> (cts.)	155.4	149.3	150.7	141.0	152.6	150.2	143.0	139.0	138.7	138.7
Net farm value <sup>3</sup> (cts.)	145.0	138.5	140.5	128.6	143.4	141.4	132.6	128.7	128.6	129.3
Farm-retail spread (cts.)	92.6	100.2	102.0	109.4	108.4	105.5	113.5	110.0	108.5	106.4
Carcass-retail spread <sup>4</sup> (cts.)	82.2	89.4	91.8	97.0	99.2	96.7	103.1	99.7	98.4	97.0
Farm-carcass spread <sup>5</sup> (cts.)	10.4	10.8	10.2	12.4	9.2	8.8	10.4	10.3	10.1	9.4
Farm value/retail price (%)	61	58	58	54	57	57	54	54	54	55
<b>Pork:</b>										
Retail price <sup>1</sup> (cts./lb.)	139.4	152.4	175.4	157.4	181.1	183.5	190.3	190.9	187.0	183.5
Wholesale value <sup>2</sup> (cts.)	98.0	106.7	121.8	103.5	129.3	132.8	136.0	127.8	124.2	124.2
Net farm value <sup>3</sup> (cts.)	63.2	70.3	88.0	63.5	95.1	100.1	99.9	90.3	85.5	88.2
Farm-retail spread (cts.)	67.2	82.1	87.4	93.9	86.0	83.4	90.4	100.6	101.5	95.3
Wholesale-retail spread <sup>4</sup> (cts.)	41.4	45.7	53.6	53.9	51.8	50.7	54.3	63.1	62.8	59.3
Farm-wholesale spread <sup>5</sup> (cts.)	34.8	36.4	33.8	40.0	34.2	32.7	36.1	37.5	38.7	36.0
Farm value/retail price (%)	45	46	50	40	53	55	52	47	46	48

<sup>1</sup> Estimated weighted average price of retail cuts from pork and yield grade 3 beef carcasses. Retail prices from BLS. <sup>2</sup> Value of carcass quantity equivalent to 1 lb. of retail cuts-beef adjusted for value of fat and bone byproducts. <sup>3</sup> Market value to producer for quantity of live animal equivalent to 1 lb. retail cuts minus value of byproducts. <sup>4</sup> Represents charges for retailing and other marketing services such as fabricating, wholesaling, and in-city transportation. <sup>5</sup> Represents charges made for livestock marketing, processing and transportation to city where consumed.

## Transportation Data

### Rail rates, grain and fruit and vegetable shipments

	Annual			1981	1982					
	1980	1981	1982	Dec	July	Aug	Sept	Oct	Nov	Dec
<b>Rail freight rate index<sup>1</sup></b>										
All products (1969=100)	284.5	327.6	351.4p	337.8	351.5	352.0	351.9	351.9	351.9p	352.1p
Farm products (1969=100)	275.6	315.0	337.2p	322.8	338.3	337.3	335.2	335.7	336.3p	338.9p
Grain (Dec. 1978=100)	127.9	148.1	159.5p	152.9	160.2	159.7	158.7	158.7	158.7p	158.7p
Food products (1969=100)	283.1	329.4	353.4p	340.0	353.7	353.1	353.1	353.1	353.1p	353.1p
<b>Rail carloadings of grain (thou. cars)<sup>2</sup></b>	30.1	26.3	24.4	27.4	27.0	25.1	20.3	29.5	25.4	21.9
<b>Barge shipments of grain (mil. bu.)<sup>2</sup></b>	36.7	38.2	41.9	37.2	38.7	40.9	36.6	47.5	51.5	37.4
<b>Fresh fruit and vegetable shipments</b>										
Piggy back (thousand cwt.) <sup>3,4</sup>	124	247	384	256	840	427	397	401	347	384
Rail (thou. cwt.) <sup>3,4</sup>	1,218	711	688	2,253	447	442	438	427	617	674
Truck (thou. cwt.) <sup>3,4</sup>	7,594	7,662	7,858	7,361	8,038	7,202	6,762	7,002	7,442	8,115

<sup>1</sup> Department of Labor, Bureau of Labor Statistics, revised April 1982. <sup>2</sup> Weekly average; from Association of American Railroads. <sup>3</sup> Weekly average; from Agricultural Marketing Service, USDA. <sup>4</sup> Preliminary data for 1982. p = preliminary.

# Livestock and Products

## Poultry and eggs

	Annual			1981		1982				
	1980	1981	1982 p	Dec	July	Aug	Sept	Oct	Nov	Dec
<b>Broilers</b>										
Federally inspected slaughter, certified (mil. lb.) . . . . .	11,272	11,906	—	973.5	1,029.5	1,057.2	1,043.1	1,010.9	924.3	—
Wholesale price, 9-city, (cts./lb.) . . . . .	46.8	46.3	44.0	40.1	46.1	43.4	43.6	42.3	40.3	42.0
Price of broiler grower feed (\$/ton) . . . . .	207	227	210	210	217	215	209	203	198	201
Broiler-feed price ratio (lb.) <sup>1</sup> . . . . .	2.7	2.6	2.5	2.3	2.6	2.4	2.6	2.5	2.5	2.4
Average weekly placements of broiler chicks, 21 States (mil.) . . . . .	<sup>1</sup> 77.9	<sup>2</sup> 77.1	80.2	72.4	81.2	80.6	76.7	73.7	75.2	80.0
<b>Turkeys</b>										
Federally inspected slaughter, certified (mil. lb.) . . . . .	2,332	2,509	—	204.2	228.3	265.4	267.7	276.5	288.0	—
Wholesale price, New York, 8-16 lb. young hens (cts./lb.) . . . . .	63.6	60.7	60.8	51.7	64.1	64.1	68.0	69.6	67.2	54.2
Price of turkey grower feed (\$/ton) . . . . .	223	249	229	229	238	235	225	221	222	225
Turkey-feed price ratio (lb.) <sup>1</sup> . . . . .	3.5	3.1	3.0	2.9	3.4	3.4	3.7	3.9	3.9	3.0
Poults hatched (mil.) . . . . .	188.7	187.3	12.0	12.0	20.3	13.8	8.1	9.8	11.7	12.5
<b>Eggs</b>										
Price of laying feed (\$/ton) . . . . .	188	210	190	196	194	191	188	185	182	185
Egg-feed price ratio (lb.) <sup>1</sup> . . . . .	6.0	6.0	6.1	6.7	5.7	5.3	6.0	6.3	6.3	6.0
Cartoned price, New York, grade A large (cts./doz.) <sup>3</sup> . . . . .	66.9	73.2	—	76.0	64.0	64.8	68.6	69.5	68.6	—
Replacement chicks hatched (mil.) . . . . .	485	454	440	33.1	34.6	33.4	31.8	32.3	30.2	31.0
	Annual			<sup>4</sup> 1980/81			<sup>4</sup> 1981/82			
	1980	1981	1982 p	II	III	IV	I	II	III	IV
<b>Eggs</b>										
Farm production (mil.) . . . . .	69,671	69,633	69,184	17,554	17,185	17,406	17,370	17,407	17,065	17,342
Average number of layers on farms (mil.) . . . . .	288	287	284	285	282	288	290	283	279	284
Rate of lay (eggs per layer) . . . . .	242	243	60.9	61.6	60.9	60.5	59.8	61.6	61.1	61.1
	Annual			1981			1982			
	1980	1981	1982 p	II	III	IV	I	II	III	IV
<b>Stocks</b>										
Eggs, shell (thou. cases) . . . . .	38	31	38	18	41	19	38	39	32	28
Eggs, frozen (mil. lb.) . . . . .	23.4	24.3	23.7	24.2	22.7	27.2	23.7	17.4	22.7	28.0
Broilers, beginning of period (mil. lb.) . . . . .	30.6	22.4	32.6	26.8	30.1	31.5	32.6	27.0	21.8	17.7
Turkeys, beginning of period (mil. lb.) . . . . .	240.0	198.0	305.1	207.9	327.3	532.1	305.1	232.8	281.7	440.2

<sup>1</sup> Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight. <sup>2</sup> 19 States. <sup>3</sup> Price of cartoned eggs to volume buyers for delivery to retailers. <sup>4</sup> Marketing year quarters begin in December.



## Dairy

	Annual			1981	1982					
	1980	1981	1982	Dec	July	Aug	Sept	Oct	Nov	Dec
<b>Milk prices, Minnesota-Wisconsin,</b>										
3.5% fat (\$/cwt.) <sup>1</sup>	11.88	12.57	12.48	12.61	12.42	12.44	12.46	12.56	12.56	12.62
Price of 16% dairy ration (\$/ton)	177	192	177	182	180	177	173	171	172	174
Milk-feed price ratio (lb.) <sup>2</sup>	1.48	1.44	1.53	1.54	1.47	1.49	1.56	1.61	1.62	1.61
<b>Wholesale prices:</b>										
Butter, Grade A Chi. (cts./lb.)	139.3	148.0	147.7	148.1	147.6	148.1	148.4	147.4	148.2	147.9
Am. cheese, Wis. assembly pt. (cts./lb.)	133.0	139.4	138.3	139.4	137.4	137.8	138.1	140.3	140.6	140.4
Nonfat dry milk, (cts./lb.) <sup>3</sup>	88.4	93.1	93.2	93.4	93.1	93.1	93.1	93.1	93.2	93.4
<b>USDA net removals (mil. lb.):</b>										
Total milk equiv. (mil. lb.) <sup>4</sup>	8,799.9	12,860.9	14,290.9	647.5	1,056.4	848.0	746.2	819.7	513.3	760.2
Butter (mil. lb.)	257.0	351.5	382.3	17.9	18.1	12.5	12.2	21.3	7.8	15.5
Am. cheese (mil. lb.)	349.7	563.0	642.9	28.0	68.6	59.2	49.5	38.1	35.4	44.1
Nonfat dry milk (mil. lb.)	634.3	851.3	952.9	64.3	98.3	72.6	63.9	53.4	51.7	68.7

	Annual			1981	1982					
	1979	1980	1981	II	III	IV	I	II	III	IV
<b>Milk:</b>										
Total milk production (mil. lb.)	123,411	128,525	132,634	35,140	33,086	31,982	33,005	35,512	33,848	32,804
Milk per cow (lb.)	11,488	11,869	12,147	3,226	3,028	2,912	2,999	3,233	3,070	2,966
Number of milk cows (thou.)	10,743	10,810	10,919	10,892	10,925	10,981	11,005	10,985	11,026	11,059
<b>Stocks, beginning</b>										
Total milk equiv. (mil. lb.) <sup>4</sup>	8,730	8,599	12,958	15,358	19,534	19,813	18,377	18,020	20,994	20,962
Commercial (mil. lb.)	4,475	5,419	5,752	5,868	5,921	5,255	5,398	5,166	5,045	4,616
Government (mil. lb.)	4,254	3,180	7,207	9,490	13,613	14,558	12,980	12,855	15,949	16,347
Imports, total equiv. (mil. lb.) <sup>4</sup>	2,305	2,109	2,329	170	578	877	420	658	706	—
Commercial disappearance										
milk equiv. (mil. lb.)	120,185	119,161	120,134	30,172	31,622	30,482	28,426	30,826	31,888	—
<b>Butter:</b>										
Production (mil. lb.)	984.6	1,145.3	1,236.8	329.7	255.4	303.6	368.5	332.9	262.2	—
Stocks, beginning (mil. lb.)	206.9	177.8	304.6	407.4	507.5	489.5	429.2	447.8	541.6	510.0
Commercial disappearance (mil. lb.)	895.0	878.8	869.2	215.3	228.1	244.4	213.4	216.5	223.1	—
<b>American cheese:</b>										
Production (mil. lb.)	2,189.9	2,374.6	2,584.8	734.6	608.9	606.7	655.5	740.9	662.5	—
Stocks, beginning (mil. lb.)	378.8	406.6	591.5	644.9	828.0	886.4	889.1	817.1	903.2	910.8
Commercial disappearance (mil. lb.)	2,113.1	2,023.9	2,114.5	503.3	526.3	544.0	534.7	527.6	548.5	—
<b>Other Cheese:</b>										
Production (mil. lb.)	1,527.3	1,608.5	1,619.7	409.4	396.5	423.8	393.6	437.8	437.0	—
Stocks, beginning (mil. lb.)	78.4	105.6	99.3	89.7	100.8	95.7	86.6	80.7	92.1	106.1
Commercial disappearance (mil. lb.)	1,730.4	1,827.9	1,860.8	444.9	455.6	525.8	444.8	478.1	489.2	—
<b>Nonfat dry milk:</b>										
Production (mil. lb.)	908.7	1,160.7	1,305.8	390.8	329.3	288.2	336.6	417.2	346.7	—
Stocks, beginning (mil. lb.)	585.1	485.2	586.8	632.5	733.1	809.0	889.7	975.6	1,132.4	1,240.1
Commercial disappearance (mil. lb.)	603.1	538.9	464.1	84.2	159.1	114.8	94.4	75.2	150.0	—
<b>Frozen dessert production (mil. gal.)<sup>5</sup></b>	1,152.1	1,168.4	1,169.4	326.7	348.0	244.8	251.1	334.7	347.8	—

<sup>1</sup> Manufacturing grade milk. <sup>2</sup> Pounds of 16% protein ration equal in value to 1 pound of milk. <sup>3</sup> Prices paid f.o.b. Central States production area, high heat spray process. <sup>4</sup> Milk equivalent, fat-solids basis. <sup>5</sup> Ice cream, ice milk, and sherbert.

## Wool

	Annual			1981	1982					
	1980	1981	1982	Dec	July	Aug	Sept	Oct	Nov	Dec
<b>U.S. wool price, Boston<sup>1</sup> (cts./lb.)</b>	245	278	247	283	240	240	240	n.a.	n.a.	n.a.
<b>Imported wool price, Boston<sup>2</sup> (cts./lb.)</b>	265	292	262	295	257	250	247	243	245	246
<b>U.S. mill consumption, scoured</b>										
Apparel wool (thou. lb.)	113,423	127,752	n.a.	11,224	5,889	8,033	8,279	7,093	7,717	n.a.
Carpet wool (thou. lb.)	10,020	10,896	n.a.	972	568	987	1,173	703	769	n.a.

<sup>1</sup> Wool price delivered at U.S. mills, clean basis, Graded Territory 64's (20.60-22.04 microns) staple 2 3/4" and up. Prior to January 1976 reported as: Territory fine, good French combing and staple. <sup>2</sup> Wool price delivered at U.S. mills, clean basis, Australian 60/62's, type 64A (24 micron), including duty (25.5 cents). Duty in 1982 is 10.0 cents. Prior to January 1976 reported as: Australian 64's combing, excluding. n.a. = not available.

# Meat animals

	Annual			1981	1982					
	1980	1981	1982	Dec	July	Aug	Sept	Oct	Nov	Dec
<b>Cattle on feed (7-States)</b>										
Number on feed (thou. head) <sup>1</sup>	8,454	7,863	7,201	7,328	7,181	6,836	6,817	7,153	8,143	8,324
Placed on feed (thou. head)	18,346	17,814	20,261	1,291	1,205	1,731	1,994	2,600	1,785	1,533
Marketings (thou. head)	17,448	17,198	18,007	1,330	1,482	1,689	1,575	1,527	1,485	1,430
Other disappearance (thou. head)	1,489	1,263	1,139	88	68	61	83	83	119	111
Beef steer:corn price ratio										
Omaha (bu.) <sup>2</sup>	25.1	22.2	26.5	25.0	26.1	29.2	27.5	27.7	25.1	25.2
Hog-corn price ratio, Omaha (bu.) <sup>2</sup>	14.6	15.5	22.9	18.8	23.3	27.9	28.1	27.2	22.8	23.0
<b>Market prices (\$ Per cwt.)</b>										
<b>Slaughter cattle:</b>										
Choice steers, Omaha	66.96	63.84	64.30	59.24	66.18	65.14	61.25	58.78	58.91	59.82
Utility cows, Omaha	45.73	41.93	39.96	36.65	42.52	42.62	41.52	39.28	36.58	35.41
Choice vealers, S. St. Paul	75.53	77.16	77.70	67.50	84.38	81.12	84.60	75.00	75.00	78.40
<b>Feeder cattle:</b>										
Choice, Kansas City, 600-700 lb.	75.23	66.24	64.82	60.06	65.26	67.85	66.48	63.45	63.88	62.35
<b>Slaughter hogs:</b>										
Barrows and glits, 7-markets <sup>3</sup>	40.04	44.45	55.44	40.06	59.83	83.13	63.01	56.94	53.49	54.94
<b>Feeder pigs:</b>										
S. Mo. 40-50 lb. (per head)	30.14	35.40	51.14	29.11	53.26	60.33	62.62	53.81	45.62	47.42
<b>Slaughter sheep and lambs:</b>										
Lambs, Choice, San Angelo	66.42	58.40	56.44	—	57.50	54.75	52.90	50.38	47.50	51.62
Ewes, Good, San Angelo	24.68	26.15	21.80	25.25	26.88	21.00	16.65	12.06	11.83	14.44
<b>Feeder lambs:</b>										
Choice, San Angelo	68.36	56.86	52.97	50.94	51.31	48.50	47.35	46.67	48.33	52.44
<b>Wholesale meat prices, Midwest</b>										
Choice steer beef, 600-700 lb.	104.44	99.84	101.31	93.70	102.61	100.75	95.54	93.00	92.86	92.62
Canner and Cutter cow beef	92.45	84.06	78.96	73.99	80.94	80.39	79.00	77.83	75.19	73.17
Pork loins, 8-14 lb.	84.87	96.56	111.51	86.56	121.29	122.11	123.47	113.43	104.92	106.12
Pork bellies, 12-14 lb.	43.78	52.29	76.54	51.35	84.50	93.50	90.70	75.20	71.86	74.02
Hams, skinned, 14-17 lb.	73.34	77.58	91.47	86.31	87.62	96.19	99.74	105.80	106.00	104.74
	Annual			1981	1982					
	1980	1981	1982	III	IV	I	II	III	IV	I
<b>Cattle on feed (13-States):</b>										
Number on feed (thou. head) <sup>1</sup>	10,399	9,845	9,028	8,646	8,210	9,028	8,818	8,981	8,800	10,271
Placed on feed (thou. head)	22,548	21,929	24,425	5,275	6,193	5,572	5,781	5,846	7,226	—
Marketings (thou. head)	21,306	21,219	21,809	5,460	5,034	5,443	5,209	5,773	5,384	—
Other disappearance (thou. head)	1,796	1,527	1,373	251	341	339	409	254	371	—
<b>Hogs and pigs (10-States):<sup>4</sup></b>										
Inventory (thou. head) <sup>1</sup>	49,090	45,970	41,940	46,200	47,170	45,970	40,610	41,190	41,670	41,940
Breeding (thou. head) <sup>1</sup>	6,840	6,021	5,593	6,355	6,357	6,021	5,578	5,689	5,553	5,593
Market (thou. head) <sup>1</sup>	42,250	39,949	36,347	39,845	40,813	39,949	35,032	35,501	36,117	36,347
Farrowings (thou. head)	10,527	9,821	8,963	2,461	2,418	1,977	2,391	2,237	2,358	<sup>5</sup> 1,956
Pig crop (thou. head)	76,230	72,591	65,767	18,134	17,853	14,059	17,943	16,254	17,511	—
<b>Commercial slaughter (thou. head)<sup>6</sup></b>										
Cattle	33,807	34,953	35,826	8,879	8,992	8,669	8,641	9,210	9,306	—
Steers	17,156	17,491	17,268	4,293	4,338	4,425	4,389	4,322	4,132	—
Helpers	9,594	10,027	10,388	2,707	2,586	2,334	2,353	2,877	2,824	—
Cows	6,332	6,643	7,352	1,660	1,880	1,737	1,685	1,786	2,144	—
Bulls and stags	724	775	818	218	186	173	214	225	206	—
Calves	2,588	2,798	3,019	715	802	770	674	770	806	—
Sheep and lambs	5,539	6,008	6,449	1,520	1,600	1,602	1,537	1,628	1,682	—
Hogs	96,074	91,575	82,197	21,277	24,026	21,725	20,710	18,936	20,825	—
<b>Commercial production (mil. lb.)</b>										
Beef	21,470	22,214	22,358	5,541	5,677	5,449	5,363	5,728	5,817	—
Veal	379	415	423	105	115	107	99	107	110	—
Lamb and mutton	310	327	356	79	87	90	85	88	93	—
Pork	16,432	15,716	14,123	3,606	4,157	3,695	3,550	3,239	3,639	—

<sup>1</sup> Beginning of period. <sup>2</sup> Bushels of corn equal in value to 100 pounds liveweight. <sup>3</sup> 220-240 lb. Beginning in January 230-240 lb. <sup>4</sup> Quarters are Dec. preceding year-Feb. (I), Mar.-May (II), June-Aug. (III), and Sept.-Nov. (IV). <sup>5</sup> Intentions. <sup>6</sup> Classes estimated.



# Crops and Products

## Feed grains

	Marketing Year <sup>1</sup>			1981		1982				
	1979/80	1980/81	1981/82	Dec	June	July	Aug	Sept	Oct	Nov
<b>Wholesale prices:</b>										
Corn, No. 2 yellow, St. Louis (\$/bu.) . . . . .	2.73	3.35	2.61	2.54	2.75	2.68	2.42	2.32	2.32	2.43
Sorghum, No. 2 yellow, Kansas City (\$/cwt.) . . . . .	4.65	5.36	4.29	4.28	4.50	4.38	4.02	4.06	3.85	4.25
Barley, feed, Minneapolis (\$/bu.) . . . . .	2.16	2.60	2.21	2.06	2.12	1.85	1.72	1.69	1.54	1.58
Barley, malting, Minneapolis (\$/bu.) . . . . .	2.87	3.64	3.06	2.92	2.93	2.63	2.48	2.37	2.42	2.45
<b>Exports:</b>										
Corn (mil. bu.) . . . . .	2,433	2,355	1,967	174	180	121	114	108	167	171
Feed grains (mil. metric tons) <sup>2</sup> . . . . .	71.3	69.3	58.8	5.4	5.0	3.7	3.7	3.4	4.8	4.9
	Marketing year <sup>1</sup>			1981			1982			
	1979/80	1980/81	1981/82	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept
<b>Corn:</b>										
Stocks, beginning (mil. bu.) . . . . .	1,304	1,618	1,034	5,859	3,987	2,774	1,034	6,899	5,075	3,854
<b>Domestic use:</b>										
Feed (mil. bu.) . . . . .	4,519	4,139	4,092	1,100	685	831	1,621	1,182	666	623
Food, seed, ind. (mil. bu.) . . . . .	675	735	812	139	133	311	170	153	147	342
<b>Feed grains:<sup>3</sup></b>										
Stocks, beginning (mil. metric tons) . . . . .	46.2	52.4	34.6	172.9	117.4	80.7	45.5	205.3	149.0	113.0
<b>Domestic use:</b>										
Feed (mil. metric tons) . . . . .	138.7	123.0	126.0	32.1	20.8	24.8	49.0	36.4	19.8	20.8
Food, seed, ind. (mil. metric tons) . . . . .	22.3	23.8	25.7	4.8	4.6	9.5	5.3	5.1	5.0	10.3

<sup>1</sup> Beginning October 1 for corn and sorghum; June 1 for oats and barley. <sup>2</sup> Aggregated data for corn, sorghum, oats, and barley.

## Food grains

	Marketing Year <sup>1</sup>			1981		1982				
	1978/79	1979/80	1980/81	Dec	July	Aug	Sept	Oct	Nov	Dec
<b>Wholesale prices:</b>										
Wheat, No. 1 HRW, Kansas City (\$/bu.) <sup>2</sup> . . . . .	3.38	4.25	4.45	4.35	3.74	3.70	3.75	3.61	3.86	3.98
Wheat, DNS, Minneapolis (\$/bu.) <sup>2</sup> . . . . .	3.17	4.16	4.46	4.15	4.08	3.78	3.79	3.78	3.85	3.76
Flour, Kansas City (\$/cwt.) . . . . .	7.81	10.03	10.35	10.05	10.21	9.98	10.12	9.96	9.92	10.30
Flour, Minneapolis (\$/cwt.) . . . . .	8.17	10.27	10.98	10.34	10.54	10.19	10.48	10.39	10.46	10.45
Rice, S.W. La. (\$/cwt.) <sup>3</sup> . . . . .	18.40	22.15	25.95	20.75	17.00	17.50	17.40	17.50	17.55	18.40
<b>Wheat:</b>										
Exports (mil. bu.) . . . . .	1,194	1,375	1,514	139	120	129	135	105	110	100
Mill grind (mil. bu.) . . . . .	622	630	643	50	52	56	54	56	53	—
Wheat flour production (mil. cwt.) . . . . .	278	283	290	22	23	25	24	25	24	—
	Marketing year <sup>1</sup>			1981			1982			
	1978/79	1979/80	1980/81	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec
<b>Wheat:</b>										
Stocks, beginning (mil. bu.) . . . . .	1,176	924	902	1,329	989	2,735	2,178	1,557	1,164	2,987
<b>Domestic use:</b>										
Food (mil. bu.) . . . . .	592	596	611	96	202	159	152	87	206	150
Feed and seed (mil. bu.) <sup>4</sup> . . . . .	245	187	165	20	229	28	29	24	235	3
Exports (mil. bu.) . . . . .	1,194	1,375	1,514	224	622	427	441	282	546	315

<sup>1</sup> Beginning June 1 for wheat and August 1 for rice. <sup>2</sup> Ordinary protein. <sup>3</sup> Long-grain, milled basis. <sup>4</sup> Feed use approximated by residual.

## Vegetables

	Annual			1981	1982					
	1980	1981	1982	Dec	July	Aug	Sept	Oct	Nov	Dec
<b>Wholesale Prices:</b>										
Potatoes, white, f.o.b. East (\$/cwt.) . . .	6.32	9.39	6.05	5.78	6.30	4.57	4.45	4.32	4.05	3.82
Iceberg lettuce (\$/crt.) <sup>1</sup> . . . . .	4.25	5.27	5.92	9.62	5.26	3.68	3.79	4.31	6.28	5.72
Tomatoes (\$/crt.) <sup>2</sup> . . . . .	7.57	9.06	7.40	6.73	6.09	4.43	4.65	7.74	8.10	9.33
Wholesale price index, 10 canned veg. (1967=100) . . . . .	200	235	239	245	242	242	234	235	234	233
Grower price index, fresh commercial veg. (1977=100) . . . . .	110	135	122	150	112	96	88	97	118	122

<sup>1</sup> Std. carton 24's f.o.b. shipping point. <sup>2</sup> 5 x 6-6 x 6, f.o.b. Fla-Cal.

## Sugar

	Annual			1981	1982					
	1980	1981	1982	Dec	July	Aug	Sept	Oct	Nov	Dec
U.S. raw sugar price, N.Y. (cts./lb.) <sup>1</sup> . . .	30.11	19.73	19.92	17.07	22.15	22.45	20.88	20.44	20.79	20.83
U.S. deliveries (thou. short tons) <sup>2,3</sup> . . .	10,149	9,731	n.a.	745	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

<sup>1</sup> Spot price reported by N.Y. Coffee and Sugar Exchange. Reporting resumed in mid August 1979 after being suspended November 3, 1977. <sup>2</sup> Raw value. <sup>3</sup> Excludes Hawaii. n.a. = not available.

## Tobacco

	Annual			1981	1982					
	1980	1981	1982 p.	Dec	July	Aug	Sept	Oct	Nov	Dec
<b>Prices at auctions:</b>										
Flue-cured (cts./lb.) <sup>1</sup> . . . . .	144.5	166.4	178.6	—	151.5	178.0	185.5	181.0	—	—
Burley (cts./lb.) <sup>1</sup> . . . . .	165.9	180.6	180.3	180.5	—	—	—	—	184.0	179.0
<b>Domestic consumption<sup>2</sup></b>										
Cigarettes (bil.) . . . . .	620.7	640.0	633.0	42.3	49.2	55.8	56.7	n.a.	n.a.	n.a.
Large cigars (mil.) . . . . .	3,994	3,893	3,607	299.4	268.5	331.4	325.4	n.a.	n.a.	n.a.

<sup>1</sup> Crop year July-June for flue-cured, October-September for burley. <sup>2</sup> Taxable removals. n.a. = not available.

## Coffee

	Annual			1981	1982					
	1979	1980	1981	Dec	July	Aug	Sept	Oct	Nov p	Dec p
Composite green price, N.Y. (cts./lb.) . . .	169.50	157.78	122.10	132.90	125.11	126.50	129.49	135.00	134.84	135.35
Imports, green bean equivalent (mil.lb.) <sup>1</sup>	2,656	2,466	2,248	214	173	217	216	274	227 F	224 F
	Annual			1981	1982					
	1979	1980	1981	Apr-June	July-Sept	Oct-Dec	Jan-Mar	Apr-June	July-Sept	Oct-Dec p
Roastings (mil. lb.) <sup>2</sup> . . . . .	2,249	2,255	2,324	524	516	657	585	498	536	660 F

<sup>1</sup> Green and processed coffee. <sup>2</sup> Instant soluble and roasted coffee. F = Forecast. p = preliminary.



## Fats and oils

	Marketing year <sup>1</sup>			1981	1982					
	1979/80	1980/81	1981/82	Dec	July	Aug	Sept	Oct	Nov	Dec
<b>Soybeans:</b>										
Wholesale price, No. 1 yellow, Chicago (\$/bu.) . . . . .	6.46	7.59	6.24	6.23	6.18	5.42	5.32	5.26	5.64	—
Crushings (mil. bu.). . . . .	1,123.0	1,020.5	1,029.7	102.5	70.6	67.8	76.0	100.2	108.1	—
Exports (mil. bu.). . . . .	875.0	724.3	929.1	73.6	53.8	57.5	58.0	94.4	93.6	—
<b>Soybean oil:</b>										
Wholesale price, crude, Decatur (cts./lb.) . . . . .	24.3	22.7	19.0	18.9	19.0	17.9	17.4	17.4	17.6	16.6
Production (mil. lb.) . . . . .	12,105.3	11,270.2	10,979.4	1,069.6	765.6	732.0	818.3	1,079.4	1,145.3	—
Domestic disappearance (mil. lb.). . . . .	8,980.7	9,113.7	9,536.7	746.5	737.4	744.5	869.1	793.2	879.7	—
Exports (mil. lb.) . . . . .	2,690.2	1,630.5	2,076.3	183.8	270.2	237.4	244.1	181.1	174.9	—
Stocks, beginning (mil. lb.) . . . . .	776.0	1,210.2	1,736.1	1,884.4	1,889.4	1,647.4	1,397.4	1,102.5	1,207.8	1,298.5
<b>Soybean meal:</b>										
Wholesale price, 44% protein, Decatur (\$/ton) . . . . .	181.91	218.18	182.52	187.5	181.9	169.0	160.8	157.0	173.4	—
Production (thou. ton). . . . .	27,105.1	24,312.1	24,634.4	2,450.6	1,684.4	1,619.6	1,818.5	2,385.9	2,580.9	—
Domestic disappearance (thou. ton) . . . . .	19,215.0	17,590.9	17,714.4	1,819.9	1,353.6	1,292.3	1,597.7	1,770.1	1,851.0	—
Exports (thou. ton). . . . .	7,931.9	6,784.1	6,907.5	666.1	346.6	348.7	235.3	448.2	723.1	—
Stocks, beginning (thou. ton) . . . . .	267.4	225.6	162.7	314.8	224.9	209.1	189.7	175.2	342.8	349.6
Margarine, wholesale price, Chicago (cts./lb.) . . . . .	50.3	47.0	41.4	40.0	42.4	41.7	41.3	41.3	41.3	—

<sup>1</sup> Beginning September 1 for soybeans; October 1 for soy meal and oil; calendar year for margarine. <sup>2</sup> Beginning April 1. 1982 prices based on 30 day delivery, using upper end of the range.

## Cotton

	Marketing year <sup>1</sup>			1981	1982					
	1979/80	1980/81	1981/82	Dec	July	Aug	Sept	Oct	Nov	Dec
U.S. price, SLM, 1-1/16 in. (cts/lb.) <sup>2</sup>	71.5	83.0	60.5	55.1	65.0	60.4	59.0	58.6	58.2	59.6
Northern Europe prices:										
Index (cts/lb.) <sup>3</sup>	n.a.	93.3	73.8	67.7	78.5	76.4	72.7	70.2	69.0	—
U.S. M 1-3/32" (cts/lb.) <sup>4</sup>	n.a.	n.a.	75.9	70.0	80.6	77.1	74.1	73.4	72.0	—
U.S. mill consumption (thou. bales)	6,463.0	5,870.5	5,263.8	413.6	330.9	407.3	495.4	434.7	409.4	—
Exports (thou. bales)	9,228.9	5,925.8	6,567.3	768.0	416.8	359.8	370.1	308.3	399.1	—

<sup>1</sup> Beginning August 1. <sup>2</sup> Average spot market. <sup>3</sup> Liverpool Outlook "A" index; average of five lowest prices of 10 selected growths. <sup>4</sup> Memphis territory growths. n.a. = not available.

## Fruit

	Annual			1981		1982					
	1980	1981	1982	Dec	July	Aug	Sept	Oct	Nov	Dec	
Wholesale price indexes:											
Fresh fruit (1967=100) . . . . .	237.3	226.7	235.4	264.4	215.4	247.6	237.9	224.5	233.4	234.2	
Dried fruit (1967=100) . . . . .	399.2	405.9	409.7	414.7	407.2	407.2	406.9	412.5	412.5	411.3	
Canned fruit and juice (1967=100) . . .	256.4	273.8	283.7	280.1	285.1	283.8	281.2	281.6	279.9	283.4	
Frozen fruit and juice (1967=100) . . .	244.3	302.8	305.5	304.9	302.7	301.3	301.9	301.9	302.8	297.5	
F.o.b. shipping point prices:											
Apples, Yakima Valley (\$/ctn.) <sup>1</sup> . . . .	n.a.	n.a.	n.a.	13.76	<sup>3</sup> 13.43	<sup>3</sup> 10.15	12.40	10.95	10.22	11.56	
Pears, Medford, Or. (\$/box) <sup>2</sup> . . . . .	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Oranges, U.S. avg. (\$/box) . . . . .	9.58	11.30	14.10	12.40	18.30	18.80	26.20	19.50	16.50	12.99	
Grapefruit, U.S. avg. (\$/box) . . . . .	8.50	10.10	9.36	8.71	11.60	9.91	9.30	8.74	8.36	8.48	
	Year Ending			1981			1982				
	1980	1981	1982	June	Sept	Dec	Mar	June	Sept	Dec	
Stocks, ending:											
Fresh apples (mil. lb.) . . . . .	2,244.6	2,676.1	3,138.9	184.9	1,424.6	2,676.0	1,055.2	276.9	1,500.2	3,138.9	
Fresh pears (mil. lb.) . . . . .	205.0	207.9	180.9	n.a.	516.9	207.9	72.1	n.a.	467.1	180.9	
Frozen fruit (mil. lb.) . . . . .	579.5	545.6	627.5	406.1	563.1	545.6	374.5	345.5	595.9	627.5	
Frozen fruit juices (mil. lb.) . . . . .	1,008.4	1,127.2	1,157.6	1,866.8	1,341.3	1,127.2	1,765.8	1,850.6	1,206.9	1,157.6	

<sup>1</sup> Red Delicious, Washington extra fancy, carton tray pack, 80-113's. <sup>2</sup> D'Anjou pears, Medford, or wrapped, U.S. No. 1, 100-135's. <sup>3</sup> Control atmosphere storage. n.a. = not available.

# Supply and Utilization: Crops

## Supply and utilization: domestic measure<sup>1</sup>

	Area		Yield	Production	Total Supply <sup>2</sup>	Feed and Residual	Other domestic use	Exports	Total use	Ending stocks	Farm price <sup>3</sup>
	Planted	Harvested									
	Mil. acres		Bu/acre				Mil. bu				\$/bu.
<b>Wheat:</b>											
1978/79 . . . . .	66.0	56.5	31.4	1,776	2,955	158	679	1,194	2,031	924	2.97
1979/80 . . . . .	71.4	62.5	34.2	2,134	3,060	86	697	1,375	2,158	902	3.78
1980/81* . . . . .	80.6	71.0	33.4	2,374	3,279	51	725	1,514	2,290	989	3.91
1981/82* . . . . .	88.9	81.0	34.5	2,799	3,791	142	712	1,773	2,627	1,164	3.65
1982/83* . . . . .	87.3	78.8	35.6	2,809	3,977	165	710	1,600	2,475	1,502	3.40-3.50
<b>Rice:</b>											
	Mil. acres		lb/acre				Mil. cwt. (rough equiv.)				c/lb.
1978/79 . . . . .	2.99	2.97	4,484	133.2	160.7	74.2	49.2	75.7	129.1	31.6	8.16
1979/80 . . . . .	2.89	2.87	4,599	131.9	163.6	76.1	49.2	82.6	137.9	25.7	10.50
1980/81* . . . . .	3.38	3.31	4,413	146.2	172.1	79.7	54.5	91.4	155.6	16.5	12.80
1981/82* . . . . .	3.84	3.79	4,819	182.7	199.5	79.1	59.4	82.1	150.6	48.9	9.03
1982/83* . . . . .	3.29	3.25	4,742	154.2	203.5	70.0	61.5	70.5	142.0	61.5	7.50-8.25
<b>Corn:</b>											
	Mil. acres		Bu/acre				Mil. bu.				\$/bu.
1978/79 . . . . .	81.7	71.9	101.0	7,268	8,380	4,323	620	2,133	7,076	1,304	2.25
1979/80 . . . . .	81.4	72.4	109.7	7,939	9,244	4,519	675	2,433	7,627	1,617	2.52
1980/81* . . . . .	84.0	73.0	91.0	6,645	8,263	4,139	735	2,355	7,229	1,034	3.11
1981/82* . . . . .	84.2	74.7	109.8	8,202	9,237	4,173	811	1,967	6,951	2,286	2.45
1982/83* . . . . .	81.9	73.2	114.8	8,397	10,684	4,300	900	2,100	7,300	3,384	2.20-2.40
<b>Sorghum:</b>											
	Mil. acres		Bu/acre				Mil. bu.				\$/bu.
1978/79 . . . . .	16.2	13.4	54.5	731	922	545	11	207	762	160	2.01
1979/80 . . . . .	15.3	12.9	62.7	809	969	484	13	325	822	147	2.34
1980/81* . . . . .	15.6	12.5	46.3	579	726	307	11	299	617	109	2.94
1981/82* . . . . .	16.0	13.7	64.1	879	988	431	11	249	691	297	2.25
1982/83* . . . . .	16.1	14.2	59.0	841	1,138	365	11	260	636	502	2.20-2.35
<b>Barley:</b>											
	Mil. acres		Bu/acre				Mil. bu.				\$/bu.
1978/79 . . . . .	10.0	9.2	49.2	455	638	217	167	26	410	228	1.92
1979/80 . . . . .	8.1	7.5	50.9	383	623	204	172	55	431	192	2.29
1980/81* . . . . .	8.3	7.3	49.6	361	563	174	175	77	426	137	2.85
1981/82* . . . . .	9.7	9.2	52.3	479	626	201	175	100	476	150	2.50
1982/83* . . . . .	9.6	9.2	57.3	522	682	215	177	55	447	235	2.10-2.25
<b>Oats:</b>											
	Mil. acres		Bu/acre				Mil. bu.				\$/bu.
1978/79 . . . . .	16.4	11.1	52.3	582	896	526	77	13	616	280	1.20
1979/80 . . . . .	14.0	9.7	54.4	527	808	492	76	4	572	236	1.36
1980/81* . . . . .	13.4	8.7	53.0	458	696	432	74	13	519	177	1.79
1981/82* . . . . .	13.6	9.4	54.1	509	687	453	75	7	535	152	1.90
1982/83* . . . . .	14.2	10.6	58.4	617	770	440	75	10	525	245	1.40-1.55
<b>Soybeans:</b>											
	Mil. acres		Bu/acre				Mil. bu.				\$/bu.
1978/79 . . . . .	64.7	63.7	29.4	1,869	2,030	499	1,018	739	1,856	174	6.66
1979/80 . . . . .	71.6	70.6	32.1	2,268	2,442	485	1,123	875	2,083	359	6.28
1980/81* . . . . .	70.0	67.9	26.4	1,792	2,151	489	1,020	724	1,633	318	7.57
1981/82* . . . . .	67.8	66.4	30.1	2,000	2,318	493	1,030	929	2,052	266	6.04
1982/83* . . . . .	72.2	70.8	32.2	2,277	2,545	488	1,115	950	2,153	390	5.48
<b>Soybean oil:</b>											
							Mil. lbs.				c/lb.
1978/79 . . . . .	—	—	—	11,323	12,052	—	8,942	2,334	11,276	776	27.2
1979/80 . . . . .	—	—	—	12,105	12,881	—	8,981	2,690	11,671	1,210	24.3
1980/81* . . . . .	—	—	—	11,270	12,480	—	9,113	1,631	10,744	1,736	22.7
1981/82* . . . . .	—	—	—	10,979	12,715	—	9,536	2,077	11,613	1,102	19.0
1982/83* . . . . .	—	—	—	11,990	13,092	—	9,802	2,075	11,877	1,215	15.0-19.0
<b>Soybean meal:</b>											
							Thou. tons				\$/ton
1978/79 . . . . .	—	—	—	24,354	24,597	—	17,720	6,610	24,330	267	190.1
1979/80 . . . . .	—	—	—	27,105	27,372	—	19,214	7,932	27,146	226	181.9
1980/81* . . . . .	—	—	—	24,312	24,538	—	17,591	6,784	24,375	163	218.2
1981/82* . . . . .	—	—	—	24,634	24,797	—	17,714	6,908	24,622	175	183
1982/83* . . . . .	—	—	—	26,635	26,810	—	18,500	8,050	26,550	260	165-185

See footnotes at end of table.



# Supply and utilization--domestic measure, continued

	Area		Yield	Production	Total Supply <sup>1</sup>	Feed and Residual	Other domestic use	Exports	Total use	Ending stocks	Farm Price <sup>2</sup>
	Planted	Harvested									
	Mil. acres		lb/acre				Mil. bales				c/lb
<b>Cotton:</b>											
1978/79	13.4	12.4	420	10.9	16.2	—	6.4	6.2	12.5	4.0	\$58.4
1979/80	14.0	12.8	547	14.6	18.6	—	6.5	9.2	15.7	3.0	\$62.5
1980/81*	14.5	13.2	404	11.1	14.1	—	5.9	5.9	11.8	2.7	\$74.7
1981/82*	14.3	13.8	543	15.6	18.3	—	5.3	6.6	11.8	6.8	—
1982/83*	11.5	9.9	582	12.0	18.7	—	5.4	5.0	10.4	8.4	—

# Supply and utilization--metric measure<sup>6</sup>

	Mil. hectares		Metric tons/ha	Mil. metric tons						\$ /metric ton	
Wheat:											
1978/79 . . . . .	26.7	22.9	2.11	48.3	80.4	4.3	18.5	32.5	55.3	25.1	109
1979/80 . . . . .	28.9	25.3	2.30	58.1	83.3	2.3	19.0	37.4	58.7	24.5	139
1980/81* . . . . .	32.6	28.7	2.25	64.6	89.2	1.4	19.7	41.2	62.3	26.9	144
1981/82* . . . . .	36.0	32.7	2.32	76.2	103.2	3.9	19.4	48.3	71.5	31.7	134
1982/83* . . . . .	35.3	32.0	2.39	76.5	108.3	4.5	19.3	43.5	67.4	40.9	125-129

Mil. metric tons (rough equiv.)

<b>Rice:</b>											
1978/79	1.2	1.2	5.03	6.0	7.3	70.2	2.3	3.4	5.9	1.4	180
1979/80	1.2	1.2	5.15	6.0	7.4	70.3	2.2	3.7	6.2	1.2	231
1980/81*	1.4	1.3	4.95	8.6	7.8	70.4	2.5	4.2	7.1	0.7	282
1981/82*	1.6	1.5	5.40	8.3	9.0	70.4	2.7	3.7	6.8	2.2	199
1982/83*	1.3	1.3	5.31	7.0	9.2	70.4	2.8	3.2	6.4	2.8	165-182

Mil. metric tons

<b>Corn:</b>											
1978/79	33.1	29.1	6.34	184.6	212.8	109.8	15.7	54.2	179.7	33.1	89
1979/80	32.9	29.3	6.88	201.6	234.8	114.8	17.1	61.8	193.7	41.1	99
1980/81*	34.0	29.5	5.72	168.8	209.9	105.1	18.7	59.8	183.6	26.3	122
1981/82*	34.1	30.2	6.90	208.3	234.6	106.0	20.6	50.0	176.5	58.1	96
1982/83*	33.1	29.6	7.21	213.3	271.4	109.2	22.9	53.3	185.4	86.0	87-94

<b>Feed Grain:</b>											
1978/79	50.3	42.7	5.19	221.5	263.2	135.9	20.9	60.2	217.0	46.2	—
1979/80	48.1	41.5	5.74	238.2	284.7	138.7	22.3	71.3	232.3	52.4	—
1980/81*	49.1	41.1	4.82	198.0	250.7	123.0	23.8	69.3	218.1	34.6	—
1981/82*	50.0	43.3	5.74	248.5	283.4	127.9	25.8	58.6	212.3	71.1	—
1982/83*	49.3	43.4	5.88	255.0	326.4	129.6	28.1	81.3	219.0	107.4	—

<b>Soybeans:</b>											
1978/79	26.2	25.8	1.98	50.9	55.3	42.7	27.7	20.1	50.6	4.7	245
1979/80	29.0	28.6	2.16	61.7	66.5	42.3	30.6	23.8	56.7	9.8	231
1980/81*	28.3	27.5	1.78	48.8	58.5	42.4	27.8	19.7	49.9	8.7	278
1981/82*	27.4	26.9	2.03	54.4	63.1	42.5	28.0	25.3	55.8	7.3	222
1982/83*	29.2	28.6	2.16	62.0	69.3	42.4	30.3	25.9	58.6	10.6	193-201

<b>Soybean oil:</b>											
1978/79	—	—	—	5.14	5.47	—	4.06	1.06	5.12	.35	597
1979/80	—	—	—	5.49	5.84	—	4.07	1.22	5.29	.55	536
1980/81*	—	—	—	5.11	5.66	—	4.13	.74	4.87	.79	500
1981/82*	—	—	—	4.98	5.77	—	4.33	.94	5.27	.50	419
1982/83*	—	—	—	5.44	5.94	—	4.45	.94	5.39	.55	330-420

<b>Soybean meal:</b>											
1978/79	—	—	—	22.09	22.31	—	16.08	6.00	22.08	.24	209
1979/80	—	—	—	24.59	24.83	—	17.43	7.20	24.63	.20	201
1980/81*	—	—	—	22.06	22.26	—	15.96	6.15	22.11	.15	241
1981/82*	—	—	—	22.36	22.51	—	16.09	6.27	22.35	.16	201
1982/83*	—	—	—	24.18	24.32	—	16.79	7.30	24.09	.24	180-205

\$/kg

<b>Cotton:</b>											
1978/79	5.4	5.0	.47	2.36	3.53	—	1.39	1.35	2.72	.87	\$1.29
1979/80	5.7	5.2	.61	3.19	4.05	—	1.42	2.00	3.42	.65	\$1.38
1980/81*	5.9	5.4	.45	2.42	3.07	—	1.28	1.28	2.57	.59	\$1.65
1981/82*	5.8	5.6	.61	3.41	3.99	—	1.15	1.44	2.57	1.44	—
1982/83*	4.7	4.0	.65	2.62	4.07	—	1.18	1.09	2.26	1.83	—

\*January 24, 1982 Supply and Demand Estimates. <sup>1</sup>Marketing year beginning June 1 for wheat, barley, and oats; August 1 for cotton and rice; September 1 for soybeans; and October 1 for corn, sorghum, soybean meal, and soybean oil. <sup>2</sup>Includes imports. <sup>3</sup>Season average. <sup>4</sup>Includes seed. <sup>5</sup>Upland and extra long staple. Stock estimates based on Census Bureau data which results in an unaccounted difference between supply and use estimates and changes in ending stocks. <sup>6</sup>Conversion factors: Hectare (ha.) = 2.471 acres; 1 metric ton = 2204.622 pounds; 36.7437 bushels of wheat or soybeans; 39.3679 bushels of corn or sorghum; 49.9296 bushels of barley; 69.8944 bushels of oats; 22.048 cwt. of rice; and 4.59 480-pound bales of cotton. <sup>7</sup>Statistical discrepancy.

# General Economic Data

## Gross national product and related data

	Annual			1981		1982			
	1980	1981	1982 p	III	IV	I	II	III	IV p
\$ Bil. (Quarterly data seasonally adjusted at annual rates)									
<b>Gross national product<sup>1</sup></b>	2,633.1	2,937.7	3,057.5	2,980.9	3,003.2	2,995.5	3,045.2	3,088.2	3,101.3
Personal consumption expenditures	1,667.2	1,843.2	1,972.0	1,868.8	1,884.5	1,919.4	1,947.8	1,986.3	2,034.6
Durable goods	214.3	234.6	242.7	241.2	229.6	237.9	240.7	240.3	251.7
Nondurable goods	670.4	734.5	762.7	741.3	746.5	749.1	755.0	768.4	778.3
Clothing and shoes	104.7	114.6	118.6	115.9	116.0	117.5	118.3	119.1	119.5
Food and beverages	343.7	375.3	397.8	378.0	382.3	387.9	395.0	401.3	406.8
Services	782.5	874.1	966.6	886.3	908.3	932.4	952.1	977.6	1,004.5
Gross private domestic investment	402.3	471.5	421.9	486.0	468.9	414.8	431.5	443.3	397.9
Fixed investment	412.4	451.1	443.3	454.2	455.7	450.4	447.7	438.6	436.4
Nonresidential	309.2	346.1	347.5	353.0	360.2	357.0	352.2	344.2	336.6
Residential	103.2	104.9	95.8	101.2	95.5	93.4	95.5	94.3	99.8
Change in business inventories	-10.0	20.5	-21.4	31.8	13.2	-35.6	-16.2	4.7	-38.5
Net exports of goods and services	25.2	26.1	16.5	25.9	23.5	31.3	34.9	6.9	-6.9
Exports	339.2	367.3	349.7	367.2	367.9	359.9	365.8	349.5	323.7
Imports	314.0	341.3	333.2	341.3	344.4	328.6	330.9	342.5	330.6
Government purchases of goods and services	538.4	596.9	647.1	600.2	626.3	630.1	630.9	651.7	675.7
Federal	197.2	228.9	257.3	230.0	250.5	249.7	244.3	259.0	276.1
State and local	341.2	368.0	389.8	370.1	375.7	380.4	386.6	392.7	399.6
1972 \$bil. (Quarterly data seasonally adjusted at annual rates)									
<b>Gross national product</b>	1,474.0	1,502.5	1,475.5	1,510.4	1,490.1	1,470.7	1,478.4	1,481.1 <sup>2</sup>	1,471.7 <sup>3</sup>
Personal consumption expenditures	930.5	947.6	957.1	951.4	943.4	949.1	955.0	956.3	968.0
Durable goods	137.1	140.0	138.7	142.2	134.1	137.5	138.3	136.4	142.8
Nondurable goods	355.8	362.4	365.2	363.0	363.1	362.2	364.5	365.9	368.2
Clothing and shoes	78.0	82.7	84.0	83.1	83.0	83.8	84.0	84.0	84.3
Food and beverages	180.2	181.4	184.0	180.9	182.0	181.7	183.0	184.9	186.3
Services	437.6	445.2	453.2	446.2	446.2	449.5	452.2	454.0	457.0
Gross private domestic investment	208.4	225.8	196.9	233.4	218.9	195.4	202.3	206.3	183.6
Fixed investment	213.3	216.9	205.4	216.9	214.1	210.8	206.7	202.9	201.3
Nonresidential	166.1	172.0	165.4	173.9	174.2	172.0	166.7	163.4	159.6
Residential	47.2	44.9	40.0	42.9	39.9	38.9	40.1	39.5	41.7
Change in business inventories	-5.0	9.0	-8.5	16.5	4.8	-15.4	-4.4	3.4	-17.7
Net exports of goods and services	50.6	42.0	30.3	39.2	36.5	36.9	35.7	27.6	21.1
Exports	159.2	158.5	147.5	157.8	156.9	151.7	154.4	147.5	136.4
Imports	108.6	116.4	117.2	118.7	120.4	114.7	118.7	120.0	115.3
Government purchases of goods and services	284.6	287.1	291.2	286.4	291.3	289.2	285.3	291.1	299.0
Federal	106.5	110.4	116.1	110.7	116.0	114.4	110.3	116.2	123.7
State and local	178.1	176.7	175.0	175.7	175.3	174.9	175.0	174.9	175.4
<b>New plant and equipment expenditures (\$bil.)</b>	295.63	321.49	319.99	328.25	327.83	327.72	323.22	315.79	315.21
<b>Implicit price deflator for GNP (1972=100)</b>	178.64	195.51	207.23	197.36	201.55	203.68	205.98	208.51	210.73
<b>Disposable income (\$bil.)</b>	1,824.1	2,029.1	2,172.5	2,060.0	2,101.4	2,117.1	2,151.5	2,198.1	2,223.5
<b>Disposable income (1972 \$bil.)</b>	1,018.0	1,043.1	1,054.5	1,048.8	1,051.9	1,046.9	1,054.8	1,058.3	1,057.9
<b>Per capita disposable income (\$)</b>	8,012	8,827	9,364	8,951	9,107	9,155	9,285	9,462	9,547
<b>Per capita disposable income (1972 \$)</b>	4,472	4,538	4,545	4,557	4,559	4,527	4,552	4,556	4,542
<b>U.S. population, tot., incl. military abroad (mil.)*</b>	227.7	229.9	232.0	230.1	230.8	231.2	231.7	232.3	232.8
<b>Civilian population (mil.)*</b>	225.6	227.7	229.8	228.0	228.6	229.1	229.5	230.1	230.6

See footnotes at end of next table.



## Selected monthly indicators

	Annual		1981		1982					
	1979	1980	1981	Dec	July	Aug	Sept	Oct	Nov	Dec p
Monthly data seasonally adjusted except as noted										
Industrial production, total <sup>2</sup> (1967=100) . . . . .	152.5	147.0	151.0	143.4	138.8	138.4	137.3	135.8	134.8	134.7
Manufacturing (1967=100) . . . . .	153.6	146.7	150.4	142.0	138.1	138.0	137.1	135.0	134.0	133.9
Durable (1967=100) . . . . .	146.4	136.7	140.5	131.3	125.9	124.9	123.5	120.5	119.3	119.3
Nondurable (1967=100) . . . . .	164.0	161.2	164.8	157.4	155.7	156.9	156.7	156.0	155.2	155.1
Leading economic indicators <sup>3</sup> (1967=100) . . . . .	140.1	131.2	133.1	127.1	129.9	129.2	130.2	130.6	130.8	132.8
Employment <sup>4</sup> (Mil. persons) <sup>5</sup> . . . . .	96.9	97.3	100.4	99.7	99.6	99.7	99.5	99.2	99.1	99.1
Unemployment rate <sup>4</sup> (%) . . . . .	5.8	7.1	7.6	8.6	9.8	9.9	10.2	10.5	10.7	10.8
Personal income <sup>1</sup> (\$ bil. annual rate) . . . . .	1,951.2	2,160.4	2,415.8	2,497.6	2,588.3	2,592.0	2,597.2	2,611.5	2,621.3	2,636.8
Hourly earnings in manufacturing <sup>6</sup> (\$) . . . . .	6.70	7.27	7.99	8.27	8.55	8.51	8.59	8.56	8.61	8.69
Money stock M1 (daily avg.) (\$bil.) <sup>7</sup> . . . . .	\$389.0	\$414.5	\$440.9	440.9	451.3	455.2	460.5	468.4	475.0	478.5
Money stock M2 (daily avg.) (\$bil.) <sup>7</sup> . . . . .	\$1,518.9	\$1,656.1	\$1,822.7	1,822.7	1,923.8	1,946.8	1,955.0	1,968.2	1,987.2	1,999.1
Three-month Treasury bill rate <sup>8</sup> (%) . . . . .	10.041	11.506	14.077	10.926	11.914	9.006	8.196	7.750	8.042	8.013
Aaa corporate bond yield (Moody's) <sup>9</sup> (%) . . . . .	9.63	11.94	14.17	14.23	14.61	13.71	12.94	12.12	11.68	11.83
Interest rate on new home mortgages <sup>9</sup> (%) . . . . .	10.78	12.66	14.70	15.87	15.70	15.68	14.98	14.41	13.81	13.69
Housing starts, private (incl. farm) (thou.) . . . . .	1,745.1	1,292.2	1,084.2	882	1,193	1,033	1,129	1,126	1,404	1,222
Auto sales at retail, total <sup>1</sup> (mil.) . . . . .	10.6	9.0	8.5	7.2	7.4	7.6	8.3	7.9	9.4	8.7
Business sales, total <sup>1</sup> (\$ bil.) . . . . .	294.6	321.5	350.6	344.9	344.6	339.5	339.5	332.5	336.4p	—
Business inventories, total <sup>1</sup> (\$ bil.) . . . . .	423.8	464.9	497.2	521.6	513.4	514.6	515.4	514.2	508.6p	—
Sales of all retail stores (\$ bil.) <sup>10</sup> . . . . .	74.5	79.3	86.6	86.6	89.4	88.5	89.3	90.3	92.6p	92.3
Durable goods stores (\$ bil.) . . . . .	25.4	24.7	27.2	26.2	27.4	26.7	27.5	27.8	30.1p	29.5
Nondurable goods stores (\$ bil.) . . . . .	49.1	54.6	59.4	60.4	62.0	61.8	61.8	62.4	62.6p	62.7
Food stores (\$ bil.) . . . . .	16.3	18.1	19.8	20.5	21.0	21.1	21.1	21.2	21.1p	21.1
Eating and drinking places (\$ bil.) . . . . .	6.6	7.2	7.9	7.9	8.7	8.8	8.7	9.1	9.1p	9.1
Apparel and accessory stores (\$ bil.) . . . . .	3.5	3.7	4.0	4.0	4.2	4.1	4.0	4.0	4.1p	4.1

<sup>1</sup> Department of Commerce. <sup>2</sup> Board of Governors of the Federal Reserve System. <sup>3</sup> Composite index of 12 leading indicators. <sup>4</sup> Department of Labor, Bureau of Labor Statistics. <sup>5</sup> Not seasonally adjusted. <sup>6</sup> December of the year listed. <sup>7</sup> Moody's Investors Service. <sup>8</sup> Federal Home Loan Bank Board. <sup>9</sup> Adjusted for seasonal variations, holidays, and trading day differences. p = preliminary. <sup>10</sup> Data for 1981 have been revised based on 1980 census population count.

## U.S. Agricultural Trade

### Prices of principal U.S. agricultural trade products

	Annual			1981		1982				
	1980	1981	1982	Dec	July	Aug	Sept	Oct	Nov	Dec
<b>Export commodities:</b>										
Wheat, f.o.b. vessel, Gulf ports (\$/bu.) . . . . .	4.78	4.80	4.38p	4.74	4.15	4.20	4.23	3.84	4.26	4.39p
Corn, f.o.b. vessel, Gulf ports (\$/bu.) . . . . .	3.28	3.40	2.80p	2.79	2.87	2.68	2.60	2.38	2.68	2.72p
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.) . . . . .	3.38	3.28	2.81p	2.90	2.67	2.66	2.52	2.45	2.84	2.90p
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.) . . . . .	7.39	7.40	6.36p	6.55	6.55	6.15	5.82	5.48	5.98	6.03p
Soybean oil, Decatur (cts./lb.) . . . . .	23.63	21.07	18.33	18.64	19.03	17.82	17.39	17.29	17.44	16.29
Soybean meal, Decatur (\$/ton) . . . . .	196.47	218.65	179.70	188.30	180.69	168.57	161.76	167.21	174.99	177.99
Cotton, 10 market avg. spot (cts./lb.) . . . . .	81.13	71.93	60.10	55.11	64.96	60.38	69.03	58.58	58.20	59.64
Tobacco, avg. price of auction (cts./lb.) . . . . .	142.29	156.48	172.20	168.94	161.00	175.49	179.98	176.53	178.02	178.02
Rice, f.o.b. mill, Houston (\$/cwt.) . . . . .	21.89	25.63	18.89	22.00	17.75	18.25	18.75	18.00	18.00	18.00
Inedible tallow, Chicago (cts./lb.) . . . . .	18.52	15.27	12.85	13.57	13.63	11.95	11.44	11.00	11.00	11.00
<b>Import commodities:</b>										
Coffee, N.Y. spot (\$/lb.) . . . . .	1.64	1.27	1.41	1.47	1.40	1.38	1.36	1.38	1.39	1.38
Sugar, N.Y. spot (cts./lb.) . . . . .	30.10	19.73	19.86	17.07	22.15	22.42	20.88	20.44	20.79	20.83
Rubber, N.Y. spot (cts./lb.) . . . . .	73.80	56.79	45.48	45.37	46.77	46.43	44.74	42.77	41.85	42.01
Cocoa beans, N.Y. (\$/lb.) . . . . .	1.14	.90	.75	.92	.66	.66	.72	.71	.65	.70
Bananas, f.o.b. port of entry (\$/40-lb. box) . . . . .	6.89	7.28	6.80	7.55	5.94	5.49	6.31	5.43	6.04	8.22

n.a. = not available. p = preliminary.

# U.S. agricultural exports

	January-October				October			
	1981	1982	1981	1982	1981	1982	1981	1982
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live, excluding poultry, . . . .	—	—	175,247	196,945	—	—	40,915	26,536
Meat and preps., excluding poultry (mt). . . . .	370	359	828,408	816,905	41	36	83,235	84,813
Dairy products, excluding eggs . . . . .	—	—	226,961	294,562	—	—	32,102	33,729
Poultry and poultry products . . . . .	—	—	646,929	430,408	—	—	72,309	46,525
Grains and preparations . . . . .	—	—	16,574,412	12,624,219	—	—	1,638,810	1,009,963
Wheat and wheat flour (mt). . . . .	37,522	36,720	6,812,950	6,061,658	4,290	2,759	724,354	430,772
Rice, milled (mt) . . . . .	1,558	1,773	829,084	732,319	206	170	102,047	70,904
Feed grains, excluding products (mt). . . . .	54,493	46,159	8,119,259	5,391,820	6,026	4,721	761,319	473,130
Other. . . . .	—	—	813,119	438,422	—	—	51,090	35,157
Fruits, nuts, and preparations . . . . .	—	—	1,722,626	1,588,739	—	—	241,692	216,092
Vegetables and preparations . . . . .	—	—	1,210,246	987,747	—	—	207,112	95,601
Sugar & preps., including honey. . . . .	—	—	565,602	92,401	—	—	35,578	8,120
Coffee, tea, cocoa, spices, etc. (mt). . . .	43	41	181,638	173,010	4	5	18,770	19,481
Feeds and fodders. . . . .	—	—	2,273,952	2,030,753	—	—	255,142	173,569
Protein meal (mt). . . . .	5,529	5,141	1,377,383	1,168,896	579	422	133,357	88,225
Beverages, excl. distilled alcohol (Lit.) . . . . .	68,897	53,892	34,588	28,921	4,312	3,629	2,100	1,984
Tobacco, unmanufactured (mt). . . . .	200	194	1,076,440	1,149,416	29	34	171,129	215,075
Hides, skins, and furskins . . . . .	—	—	850,031	855,737	—	—	60,605	69,255
Oilseeds . . . . .	—	—	5,340,093	5,385,758	—	—	768,387	580,756
Soybeans (mt). . . . .	17,004	20,476	4,950,489	5,096,954	2,742	2,568	719,666	572,726
Wool, unmanufactured (mt). . . . .	3	3	29,391	29,294	( <sup>1</sup> )	( <sup>1</sup> )	4,731	3,583
Cotton, unmanufactured (mt). . . . .	1,040	1,285	1,840,991	1,724,269	64	77	97,775	95,844
Fats, oils, and greases (mt). . . . .	1,303	1,211	633,385	551,761	139	96	65,385	41,839
Vegetable oils and waxes (mt). . . . .	1,371	1,385	910,314	818,000	127	126	76,118	71,909
Rubber and allied gums (mt). . . . .	12	10	24,315	18,440	1	1	2,339	1,723
Other. . . . .	—	—	822,032	887,483	—	—	51,204	90,980
Total . . . . .	—	—	35,967,601	30,684,768	—	—	3,925,438	2,887,377

<sup>1</sup> Less than 500,000 metric tons.

## Trade balance

	January-October		October	
	1981	1982	1981	1982
	\$ Mil.			
Agricultural exports . . . . .	35,968	30,685	3,925	2,887
Nonagricultural exports . . . . .	155,716	144,864	15,541	14,000
Total exports <sup>1</sup> . . . . .	191,684	175,549	19,466	16,887
Agricultural imports . . . . .	14,168	12,763	1,455	1,476
Nonagricultural imports . . . . .	202,996	192,017	21,899	19,672
Total imports <sup>2</sup> . . . . .	217,164	204,780	23,354	21,148
Agricultural trade balance . . . . .	21,800	17,922	2,470	1,411
Nonagricultural trade balance . . . . .	-47,280	-47,153	-6,358	-5,672
Total trade balance. . . . .	-25,480	-29,231	-3,888	-4,261

<sup>1</sup> Domestic exports including Department of Defense shipments (F.A.S. value). <sup>2</sup> Imports for consumption (customs value).



# U.S. agricultural exports by regions

Region and country <sup>1</sup>	January-October		October		Change from year earlier	
	1981	1982	1981	1982	January-October	October
	\$ Mil.				percent	
<b>Western Europe</b> . . . . .	9,541	9,073	1,281	933	-5	-27
European Community (EC-10) . . . . .	7,353	6,739	997	696	-8	-30
Germany, Fed. Rep. . . . .	1,427	1,159	192	112	-19	-42
Greece . . . . .	131	184	7	15	+40	+114
Italy . . . . .	1,002	808	88	88	-19	0
Netherlands . . . . .	2,656	2,451	399	243	-8	-39
United Kingdom . . . . .	803	735	117	89	-8	-24
Other Western Europe . . . . .	2,188	2,333	284	237	+7	-17
Portugal . . . . .	652	483	49	56	-26	+14
Spain . . . . .	953	1,238	175	122	+30	-30
<b>Eastern Europe</b> . . . . .	1,505	712	88	40	-53	-54
Bulgaria . . . . .	172	60	18	0	-65	-100
German Dem. Rep. . . . .	253	184	25	15	-27	-40
Poland . . . . .	542	114	25	10	-79	-60
Romania . . . . .	368	123	16	5	-67	-69
Yugoslavia . . . . .	118	166	1	8	+41	+700
<b>USSR</b> . . . . .	1,202	1,670	179	11	+39	-94
<b>Asia</b> . . . . .	13,127	11,235	1,351	1,191	-14	-12
<b>West Asia</b> . . . . .	1,482	1,165	159	113	-21	-29
Iran . . . . .	219	24	37	( <sup>3</sup> )	-89	-100
Iraq . . . . .	115	116	9	( <sup>3</sup> )	+1	-100
Israel . . . . .	322	276	43	28	-14	-35
Saudi Arabia . . . . .	397	407	34	49	+3	+44
Turkey . . . . .	93	58	10	( <sup>3</sup> )	-38	-100
<b>South Asia</b> . . . . .	668	554	131	102	-17	-22
India . . . . .	383	192	98	73	-50	-26
Pakistan . . . . .	156	190	21	16	+22	-24
<b>East and Southeast Asia</b> . . . . .	10,977	9,516	1,061	976	-13	-8
China, Mainland . . . . .	1,617	1,374	162	74	-15	-54
China, Taiwan . . . . .	887	904	88	83	+2	-6
Japan . . . . .	5,365	4,496	569	551	-16	-3
Korea, Rep. . . . .	1,737	1,340	116	120	-23	+3
<b>Oceania</b> . . . . .	173	232	25	29	+34	+16
<b>Africa</b> . . . . .	2,480	2,025	208	137	-18	-34
<b>North Africa</b> . . . . .	1,318	1,103	109	51	-16	-54
Algeria . . . . .	240	145	19	8	-40	-58
Egypt . . . . .	866	741	78	37	+14	-53
<b>Other Africa</b> . . . . .	1,162	921	99	86	+21	-13
Nigeria . . . . .	447	416	48	38	-7	-21
<b>Latin America and Caribbean</b> . . . . .	5,433	3,771	536	308	-31	-43
Brazil . . . . .	642	497	41	29	-23	-29
Caribbean . . . . .	675	647	59	68	-4	+15
Central America . . . . .	311	271	40	28	-13	-30
Mexico . . . . .	2,084	968	225	47	-54	-79
Peru . . . . .	378	249	41	22	-34	-46
Venezuela . . . . .	724	552	65	40	-24	-38
<b>Canada</b> . . . . .	1,660	1,526	156	165	-8	+6
<b>Canadian transshipments</b> . . . . .	845	439	101	74	-48	-27
<b>Total</b> <sup>2</sup> . . . . .	35,968	30,685	3,925	2,887	-15	-26

<sup>1</sup> Not adjusted for transshipments through Canada. <sup>2</sup> Regions may not add to totals due to rounding. <sup>3</sup> Less than \$500,000.

# U.S. agricultural imports

	January-October				October			
	1981	1982	1981	1982	1981	1982	1981	1982
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Live animals, excluding poultry . . . . .	—	—	267.083	342.654	—	—	31.374	35.378
Meat and preparations, excl. poultry (mt) . . .	723	806	1,731.363	1,776.405	76	88	178.057	189.868
Beef and veal (mt) . . . . .	529	599	1,241.731	1,228.404	56	67	125.267	132.418
Pork (mt) . . . . .	165	184	410.573	485.260	17	19	45.038	52.734
Dairy products, excluding eggs . . . . .	—	—	383.299	467.017	—	—	46.974	55.319
Poultry and poultry products . . . . .	—	—	79.794	56.351	—	—	8.493	6.767
Grains and preparations . . . . .	—	—	258.571	299.697	—	—	31.740	35.023
Wheat and flour (mt) . . . . .	6	11	2,792	2,598	1	2	208	348
Rice (mt) . . . . .	7	15	4,216	7,915	(1)	1	260	650
Feed grains (mt) . . . . .	121	210	22.983	35.323	6	5	1.025	984
Other . . . . .	—	—	228.580	253.861	—	—	30.247	33.041
Fruits, nuts, and preparations . . . . .	—	—	1,307.635	1,516.062	—	—	135.949	186.467
Bananas, fresh (mt) . . . . .	2,075	2,196	441.916	475.599	218	241	47.599	53.393
Vegetables and preparations . . . . .	—	—	911.260	982.625	—	—	55.956	58.243
Sugar and preparations, incl. honey . . . . .	—	—	1,946.336	866.151	—	—	253.846	184.079
Sugar, cane or beet (mt) . . . . .	3,348	2,102	1,728.868	692.662	593	472	234.949	163.078
Coffee, tea, cocoa, spices, etc. (mt) . . . . .	1,370	1,343	3,464.076	3,268.693	147	176	332.040	411.192
Coffee, green (mt) . . . . .	807	867	2,175.631	2,260.123	89	120	211.195	298.854
Cocoa beans (mt) . . . . .	231	165	434.960	275.493	24	15	39.884	20.558
Feeds and fodders . . . . .	—	—	94.006	89.491	—	—	11.950	10.694
Protein meal (mt) . . . . .	43	53	8,227	8,676	7	9	1,146	1,548
Beverages, incl. distilled alcohol (hl) . . . . .	8,689	9,327	935.578	999.710	974	909	112.415	104.607
Tobacco, unmanufactured (mt) . . . . .	136	116	311.743	294.031	13	13	32.639	32.549
Hides, skins, and furskins . . . . .	—	—	241.419	180.357	—	—	14.850	11.039
Oilseeds . . . . .	—	—	371.202	59.723	—	—	11.303	6,731
Soybeans (mt) . . . . .	7	5	2,094	1,215	1	1	170	169
Wool, unmanufactured (mt) . . . . .	39	33	140.487	117,209	4	2	13.658	5,418
Cotton, unmanufactured (mt) . . . . .	9	12	7,296	13,237	1	(1)	230	552
Fats, oils, and greases (mt) . . . . .	11	10	8,213	7,182	1	1	856	1,074
Vegetable oils and waxes (mt) . . . . .	635	589	399,100	333,070	66	61	41,332	31,270
Rubber and allied gums (mt) . . . . .	568	528	673,978	444,402	71	55	73,350	44,186
Other . . . . .	—	—	635.804	658,989	—	—	68.282	65.680
Total . . . . .	—	—	14,168.243	12,763.056	—	—	1,455,294	1,476.136

<sup>1</sup> Less than 500,000 metric tons. Note: 1 metric ton (mt) = 2,204.622 lb; 1 hectoliter (hl) = 100 liters = 26.42008 gal.



# World Agricultural Production

## World supply and utilization of major crops

	1976/77	1977/78	1978/79	1979/80	1980/81	1981/82 E	1982/83 F
	Mil. units						
<b>Wheat:</b>							
Area (hectare) . . . . .	233.2	227.1	228.8	227.6	236.2	237.9	235.0
Production (metric ton) . . . . .	421.3	384.1	446.7	422.8	440.5	447.2	471.4
Exports (metric ton) <sup>1</sup> . . . . .	63.3	72.8	72.0	86.0	94.2	101.8	101.9
Consumption (metric ton) <sup>2</sup> . . . . .	385.8	399.2	430.1	443.8	446.1	440.2	458.3
Ending stocks (metric ton) <sup>3</sup> . . . . .	99.8	84.4	100.9	79.9	74.4	81.9	95.0
<b>Coarse grains:</b>							
Area (hectare) . . . . .	343.7	345.1	342.8	341.1	341.6	348.2	342.5
Production (metric ton) . . . . .	704.2	700.6	753.6	741.3	729.3	764.9	788.4
Exports (metric ton) <sup>1</sup> . . . . .	82.7	84.0	90.2	100.9	105.5	103.6	95.1
Consumption (metric ton) <sup>2</sup> . . . . .	685.2	692.0	748.2	740.8	740.6	730.9	748.9
Ending stocks (metric ton) <sup>3</sup> . . . . .	77.2	85.7	91.1	91.6	80.3	114.2	153.8
<b>Rice, milled:</b>							
Area (hectare) . . . . .	141.5	143.3	144.5	143.1	144.4	145.4	142.9
Production (metric ton) . . . . .	234.1	248.5	260.1	253.9	267.5	278.3	271.9
Exports (metric ton) <sup>1</sup> . . . . .	10.5	9.5	11.6	12.7	12.8	11.6	12.4
Consumption (metric ton) <sup>2</sup> . . . . .	235.8	243.4	255.4	258.0	269.3	278.4	276.9
Ending stocks (metric ton) <sup>3</sup> . . . . .	17.5	22.6	27.5	23.9	22.1	22.0	17.0
<b>Total grains:</b>							
Area (hectare) . . . . .	718.5	715.5	716.0	711.8	722.2	731.5	720.4
Production (metric ton) . . . . .	1,359.7	1,333.2	1,460.4	1,418.0	1,437.3	1,490.4	1,531.7
Exports (metric ton) <sup>1</sup> . . . . .	156.4	166.2	173.8	199.6	212.5	217.0	209.4
Consumption (metric ton) <sup>2</sup> . . . . .	1,306.8	1,334.6	1,433.7	1,442.6	1,456.0	1,449.5	1,484.1
Ending stocks (metric ton) <sup>3</sup> . . . . .	194.5	192.7	219.5	195.4	176.8	218.1	265.8
<b>Oilseeds and meals:<sup>4,5</sup></b>							
Production (metric ton) . . . . .	66.7	78.4	83.3	95.2	85.4	92.0	99.7
Trade (metric ton) . . . . .	33.9	38.8	40.6	46.2	44.1	46.5	47.3
<b>Fats and Oils:<sup>5</sup></b>							
Production (metric ton) . . . . .	47.4	52.3	54.7	58.7	56.5	59.8	63.3
Trade (metric ton) . . . . .	16.9	18.3	19.3	20.8	20.0	21.0	21.2
<b>Cotton:</b>							
Area (hectare) . . . . .	30.7	32.8	32.4	32.2	32.5	33.4	31.9
Production (bale) . . . . .	56.7	64.1	60.0	65.5	65.3	71.1	67.7
Exports (bale) . . . . .	17.6	19.1	19.8	22.7	19.7	20.3	17.4
Consumption (bale) . . . . .	60.6	60.0	62.4	65.3	65.8	65.6	66.6
Ending stocks (bale) . . . . .	20.4	25.0	22.1	23.0	22.8	27.7	29.0

E = Estimated, F = Forecast. <sup>1</sup>Excludes intra-EC trade. <sup>2</sup>Where stocks data not available (excluding USSR), consumption includes stock changes. <sup>3</sup>Stocks data are based on differing marketing years and do not represent levels at a given date. Data not available for all countries; includes estimated change in USSR grain stocks but not absolute level. <sup>4</sup>Soybean meal equivalent. <sup>5</sup>Calendar year data. 1977 data corresponds with 1976/77, etc.

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**Note:** Each issue of *Agricultural Outlook* contains highlights of the situation and outlook for the following commodities—

- **Livestock:** cattle, hogs, broilers, eggs, turkeys, dairy.
- **Crops:** wheat, rice, feed grains, oilseeds, cotton, peanuts, tobacco, sugar, vegetables, fruit.

Prior to November 1980, these commodity summaries were gathered in the section, "Commodity Highlights"; beginning with the November 1980 issue, they were incorporated into the "Agricultural Economy" section.

### 1980:

#### • *Standard articles*

**Agricultural Economy:** monthly  
**Agricultural Policy:** 3/11, 4/12, 5/13, 6/14, 8/19,  
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**Commodity Highlights** (incorporated into "Agricultural  
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**General Economy:** monthly  
**Inputs:** 5/5 (fertilizer), 12/15  
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**Transportation:** 5/11, 9/22  
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#### • *Special reports*

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**Agricultural Policy:** 3/15, 4/20, 6/20  
**Farm Income Update:** 8/9, 12/12  
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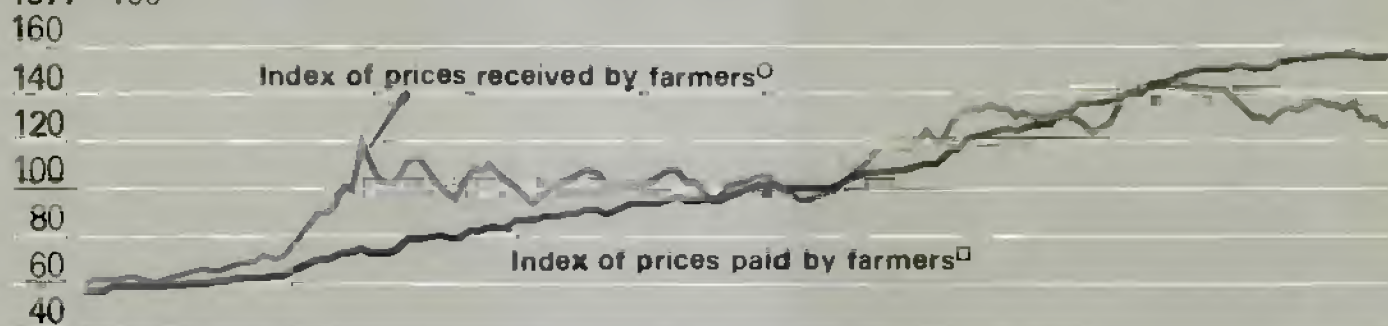
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## Farm Prices, Ratio Rise Slightly In January

1977=100



Percent



<sup>○</sup>For all farm products.

<sup>□</sup>For commodities, services, interest, taxes, and wage rates.